



**Comprehensive Annual Financial Report
For Fiscal Year Ended
September 30, 2014**

CITY OF WHITE SETTLEMENT, TEXAS
Comprehensive Annual Financial Report
For the Year Ended September 30, 2014

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INTRODUCTORY SECTION

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February 24, 2015

Honorable Mayor, City Council Members and the Citizens of the City of White Settlement:

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of White Settlement, Texas (the City) for the fiscal year ended September 30, 2014.

The purpose of this report is to provide the City Council, citizens, investors and other interested parties with detailed information regarding the financial condition and operations of the City. In addition, this report provides assurance that the financial position of the City has been presented fairly as verified by the City's independent auditors.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City.

George, Morgan & Sneed, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the city's financial statements for the year ended September 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A) located immediately following the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City of White Settlement

General information

The City of White Settlement, incorporated in 1941, is located in northwest Tarrant County and abuts the west side of the City of Fort Worth. It currently occupies 5.05 square miles and serves a population of 16,390. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City has no extra-territorial jurisdiction.

The City has operated under the council-manager form of government since 1954. Policy-making and legislative authority are vested in a governing council (City Council) consisting of a Mayor and five Council members, all elected at-large for three-year staggered terms. To be in compliance with Senate Bill 100, cities were encouraged to consider a change to November elections or May elections in odd-years. After exploring the possibilities of changing Council Members terms to two years or four years, the City Council voted to move their election date to November and remain with the three year terms. The City Council appoints the City Manager, City Attorney, Municipal Judge, City Secretary and members of various boards and commissions. The City Manager is responsible for the proper administration of the daily operations of the City.

Services provided

The City provides a full range of municipal services including general government, police, fire, code compliance, municipal court, streets, library, parks and recreation, senior services, animal control, and water and wastewater services. Sanitation services are provided by the City but are privately contracted with IESI, Inc. The White Settlement Crime Control & Prevention District is combined with the financial statements of the City. The White Settlement Economic Development Corporation (4B Corporation) is included in the financial statements as a discretely presented component unit. Both the Economic Development Corporation and the Crime District are primarily funded with sales tax revenues. Both entities are discussed more fully in the notes to the financial statements.

Basis of accounting

The City accounts for governmental funds using the modified-accrual basis of accounting, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Proprietary funds are recorded using the full-accrual basis of accounting where revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred. Both the governmental activities and business-type activities reported on the government-wide financial statements are reported on the accrual basis.

Internal controls

The City has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile reliable information for the preparation of the City's financial statements. The cost of internal controls should not outweigh their benefits; therefore, the City's internal controls have been designed to provide reasonable rather than absolute assurance.

Budget

The annual budget of the City serves as a foundation for its financial planning and control. All departments of the City are required to submit budget requests for appropriation to the Director of Finance in or before June each year. After departmental review by the City Manager, a proposed budget is presented to the City Council by August 1st. The level of legal budgetary control is at the line item level. The City Manager is authorized to make transfers of budgeted amounts up to \$5,000 from budget line items (accounts) to other budget line items within a department or between departments within an operating fund. Transfers of budgeted line item amounts of \$5,000 or more must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget was adopted.

Economic Outlook and Financial Planning

Local economy

The City of White Settlement has been impacted by the national recession, but to a lesser degree than other areas in the nation. In a report dated December 30, 2014, the U.S. Bureau of Labor Statistics reported on the number of jobs added for the whole nation. The report stated the Dallas/Fort Worth, Texas area had one of the largest increases (+111,500) in Metropolitan Area Nonfarm Employment, 2nd only to Houston-Sugar Land-Baytown, Texas area (+125,300). In addition, economic indicators suggest that the state and regional economy will continue to show moderate growth. The local unemployment rate dropped from 5.3% in September 2013 to 5.0% in September 2014. This continues to compare favorably with national unemployment levels.

The community is adjacent to major business and cultural centers in Fort Worth and Dallas, yet it remains uncongested with property available for development. Interstate 30 makes up the southern border of the City and Interstate Loop 820 the western border which makes the City easily accessible from all areas of the state. The daily inflow of thousands of employees to the huge Lockheed-Martin aircraft assembly plant on the eastern border of the City has helped sales tax revenues keep pace with the property tax revenues since the 1980's. Over the years, White Settlement has grown into a diverse urban community of approximately 16,390 residents. Though surrounded by Fort Worth and other urban developments, it has not lost its small town sense of community and neighborliness. White Settlement's growth and development over the past decade have been built on a strong foundation of overall planning, management, quality of life and policy direction. All in all, the picture of White Settlement is one vital community, facing economic challenges and opportunities of the future with optimism and forethought. In 2009, to encourage developments within the City, the City Council approved an ordinance to add a new zoning classification known as Multi-Use Overlay District (MUOD). In 2013, heavy and light industrial and commercial neighborhood zoning was greatly increased to encourage more commercial development and growth in the primary traffic corridors of the City. The primary purpose of the MUOD is to provide flexibility and compatibility in land uses and regulations that will encourage the development, redevelopment and revitalization of areas suitable for commercial and light industrial uses.

The City is home to retail outlets such as Academy Sports and Outdoors, Toys "R" Us, and Lowe's Home Improvement Center. Co-Operative Aerospace moved into our City in the December 2010 bringing over 125 employees with them and continues to expand. The City's top taxpayer, SPM/Weir Enterprises, a manufacturer of oil and gas field machinery has relocated their international home office to our City. The new three-story \$18 million dollar complex which serves as their administrative offices was completed in 2012-2013. Looking forward, they have also purchased existing properties surrounding its complex for manufacturing expansion.

The future looks increasingly favorable for the City for several reasons. One promising project which was completed in 2014 is a shared Project with "Hawaiian Falls" for a Water & Adventure Park which was constructed on the 16 acres abutting Veterans' Park. This endeavor should boost the economy by bringing in thousands of visitors and enhance business growth within the community. Hawaiian Falls promises to be one of the biggest attractions on the west side of the metroplex and is located in White Settlement between Clifford Street and White Settlement Road, just west of Las Vegas Trail. Funding for the 12.5 million development, construction and start-up cost was done by the EDC financing through issued bonds. The Debt payments will be paid by Hawaiian Falls, and they will lease the Park for 40 years with four, five year renewal options. Hawaiian Falls will fully operate and maintain the Parks during the lease term as a recreational facility.

Another promising event which was completed in 2014 is the relocation of Region XI Education Service Center to White Settlement. Region XI is one of 20 education service centers established by the Texas State Legislature in 1967. Region XI provides professional development, technical assistance and management of educational programs to 77 public school districts and 42 charter schools in a 10-county area in north central Texas. Region XI purchased the vacant SAM'S Club building located in the southeast corner of the City, just north of I-30 and east of Cherry Lane. With the building renovation completed and Region XI beginning operations, Region XI will generate over fifty thousand visitors to our City annually.

Other highlights of the year include: the relocation of two major auto dealerships from a nearby community, the relocation and expansion of a general retail store, the investment in and opening of two new hotels. In addition, plans were submitted for a third hotel to be constructed in the coming year at the intersection of Loop 820 and Clifford near the Hawaiian Falls Water & Adventure Park, the purchase and remodel of the "red iron building" into a new self-storage facility, and the development of a new retail strip center on North Jim Wright Freeway.

Future economic outlook

Sales tax revenues increased last fiscal year by 4.93% following a 21.02% decrease the prior year. The 2013-2014 revenue was in line with the 2010-2011 revenue indicating 2011-2012 was an unusual year. Sales tax revenues for 2014-2015 are conservatively budgeted at \$2,610,000.

Ad valorem tax values for 2013-2014, as provided by the Tarrant County Appraisal District, decreased to \$578,247,170 from prior year values at \$620,482,804. This was apparently the result of inventory reduction on the part of a major industrial manufacturing supplier. The City Council adopted the tax rate of \$0.670652. New construction and some economic redevelopment continued to positively impact property values and the City's tax base. In the 2014-2015 Budget, City Council adopted the tax rate of \$0.690660. This was done in order to be somewhat proactive toward economic development and still maintain the level of services desired by the City Council. The City continues to take steps in developing areas to attract commercial customers and residents. Operationally, staff actively reviews departmental and internal processes to identify cost savings and promote better efficiencies while maintaining current levels of service.

Major initiatives

The City's mission is promoting and sustaining a superior quality of life. This mission is accomplished by the following priorities:

- The provision of public safety to our citizens
- The rehabilitation and replacement of aging infrastructure
- The improvement and maintenance of the City's park system
- The attraction and promotion of commercial business within the City

Major initiatives included in the 2014-2015 Fiscal Year Budget are discussed below:

Public safety – The budget includes several enhancements for public safety and retains public safety staff training levels. The Crime Control District allocated a \$667,000 to the General Fund for police department personnel costs and \$100,000 for contractual services

Infrastructure – The 41st year CDBG Project is to be bid and funded in 2014-2015 for Donald Street sewer line rehab. The project should be completed by the end of the 2015-2016 fiscal year with a cost of less than \$350,000. Scheduled for the 2014-2015 fiscal year, the existing 2,200 feet of the south end of Cherry Lane is being upgraded from asphalt to concrete roadway with new curb and gutter, approaches and striping at a cost of approximately one million dollars. Funding for this project comes from the 2013 Tax Notes.

Park system – The Economic Development Corporation (EDC) has played an important role in upgrading the City's parks. EDC funded the \$3M recently completed renovation of Central Park and entered into an agreement with Hawaiian Falls to build a \$12.5M Water & Adventure Park on the south 16 acres of Veterans Park. The Park opened in June of 2014 and anticipates employing more than 250 seasonal workers for the water park and 100 full-time employees for the adventure park and conference center. The entertainment complex is expected to draw around three to four hundred thousand visitors per year.

Commercial business – The Economic Development Corporation's small business incentive program allocated \$275,000 for one new hotel and \$105,000 for other Business Incentive Grants in 2014-2015.

Long-term financial planning

In 2000, a street improvement program was implemented with a long-range goal of having funds available to pave streets within the City's jurisdiction on a regular planned basis. The pay-as-you-go funding is provided by a 5% franchise tax imposed upon the City's water and wastewater operations. In 2014, the City received \$282,383 for this purpose. As of September 30, 2014, \$1,045,473 has been set aside for street improvements.

The Farmer's Branch Sewer (FBS) serves both White Settlement and the City of Fort Worth, and flows generally from the west to the east. The City used an engineering firm to evaluate the feasibility of moving the existing wastewater interceptor out of Farmers Branch Creek. Based on that evaluation, plans were made for the realignment of this jointly owned sanitary wastewater interceptor. The realignment benefits White Settlement by eliminating significant infiltration and inflow that occurs along the existing wastewater interceptor as well as facilitating the United States Army Corps of Engineers drainage improvement project design along the creek. The Study also examined the future capacity needs of this facility due to significant new development anticipated from the City of Fort Worth upstream of the City. For these reasons, the Study recommended realigning and upsizing the existing Farmers Branch interceptor. This project was completed in late 2011 and the cost is shared with the City of Fort Worth (51.46%) and White Settlement (48.54%). In 2009, the City of White Settlement issued Combination Tax and Revenue Certificates of Obligations in the amount of \$8 million. The City of Fort Worth makes annual payments to the City for their portion of the debt.

For many years homes along Farmers Branch running through the center of the City have received major flooding in high rain events. As a result of the flooding, several studies were performed by the United States Army Corps of Engineers, in conjunction with the City, which suggested that Farmers Branch be upgraded into a grass-lined and concrete channel. In 2005, a bond election was passed whereby voters approved the issuance of general obligation bonds in the amount of \$6.15 million. In early 2007, \$1.3 million of federal funding was released to the Corps of Engineers to begin the planning and design process for the project. This plan referred to as the Locally Preferred and N.E.D. Plan has been completed. The City completed all of the property acquisitions and the temporary and permanent easements necessary to construct the channel. When construction bids were received, additional funds were needed to complete the project. A special election was held in November 2011 to determine citizen's support of the City issuing the required debt. The special election failed to support issuing the additional debt of six million dollars to complete the project. The U.S. Corps of Engineers redesigned a smaller portion of the main channel and eliminating the tributary. City Council deposited an additional \$1.5 million to retain the federal dollars. The bid was awarded and construction began in late 2012. The project was completed in 2013.

In March 2006, a Storm Water Utility Fund was created to fund storm water projects and equipment that will help control flooding and storm water drainage problems, water quality improvements and operations and maintenance throughout the City. Projects may include repair of storm water drains, improving maintenance of branches and channels, constructing new drainage systems and meeting state mandated water quality standards.

The White Settlement Crime Control and Prevention District (CCPD) was created in 1996 and a ½ cent sales tax approved to support it. In May 2010, the CCPD was re-approved for an additional twenty years. This tax has played a significant role in maintaining police salaries at satisfactory levels. These revenues also fund Community Crime Prevention Programs, police personnel training, equipment purchases, and vehicle purchases.

The White Settlement Economic Development Corporation, a 4B corporation, was established and approved by the voters in 1994. An approved ½ cent sales tax provides approximately one million dollars per year. During 2013-2014 the corporation provided \$275,000 in direct economic incentives known as the Business Incentive Grant (B.I.G.) to local businesses for upgrading their

facilities. Another \$65,000 was spent for small business incentives. A majority of this fund provides for annual maintenance and operations costs and park improvements.

Other Information

Independent audit

The City Charter and Chapter 103 of the Texas Local Government Code require an annual audit of the City's financial statements by an independent certified public accountant. In addition, the City's compliance with various grant programs was audited in accordance with OMB Circular A-133 and Uniform Grant Management Standards.

Bond Rating

The City updated its financial information with Standard & Poor's. In a letter dated 12/23/2014, Standard & Poor's Ratings Services ("Rating Services") notified the City: Based on our review, we have raised the underlying rating (SPUR) from A+ to AA- while affirming the stable outlook. (See standardandpoors.com for more information.)

Awards and acknowledgements

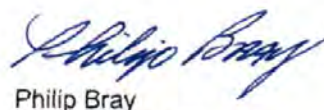
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Settlement for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the twenty-eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of White Settlement also received the Government Finance Officers Association award for the Distinguished Budget Presentation for the twenty-seventh consecutive year for its annual budget for the fiscal year beginning October 1, 2013 and ending September 30, 2014. In order to qualify for this award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in management of the City of White Settlement's finances.

Respectfully submitted,


Linda Ryan
City Manager


Philip Bray
Finance Director

City of White Settlement, Texas

City Council And Principal Officials

September 30, 2014

**Mayor
Jerry Burns**

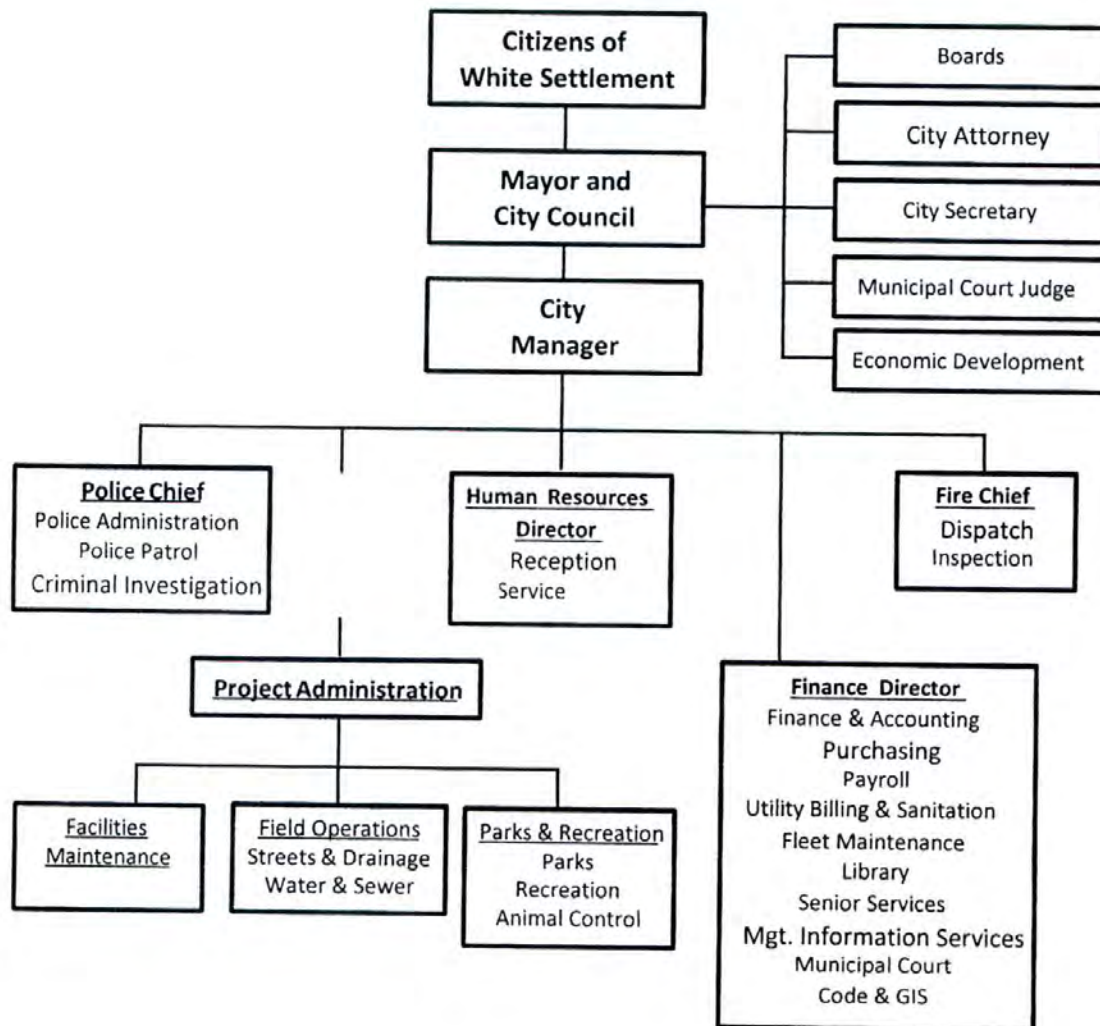
CITY COUNCIL

Gene Hatcher	Councilmember	Place 1
Elzie Clements	Councilmember	Place 2
Mike Arnold Sr.	Councilmember	Place 3
Danny Anderson	Councilmember	Place 4
Steve Ott	Mayor Pro-Tem	Place 5

CITY STAFF

Linda Ryan	City Manager
Philip Bray	Director of Finance
Jack Ely	Police Chief
Brian Thompson	Fire Chief
Amy Arnold	City Secretary
Warren Spencer	City Attorney

**CITY OF WHITE SETTLEMENT
ORGANIZATIONAL CHART
2013-2014**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of White Settlement
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of White Settlement, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of White Settlement, Texas, (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-16 and budgetary comparison information and Texas Municipal Retirement System Schedule of Funding Progress on pages 56-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

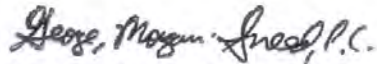
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining nonmajor funds financial statements, individual fund schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor funds financial statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2015, on our consideration of the City White Settlement, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



George, Morgan & Sneed, P.C.
Weatherford, Texas
February 24, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of The City of White Settlement, Texas, we offer readers of The City of White Settlement's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of White Settlement exceeded its liabilities at the close of the most recent fiscal year by \$57,003,128 (*net position*) compared to \$48,925,671 for the prior year. Of this amount, \$19,199,244 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$8,077,457. The City's governmental activities net position increased by \$6,164,653 and the business-type activities net position increased \$1,912,804. \$6,533,600 of the increase in the governmental activities net position is Farmers Branch Flood Reduction Improvements funded by U.S. Army Corps of Engineers.
- As of the close of the current fiscal year, the City of White Settlement's governmental funds reported combined ending fund balances of \$17,916,148 compared to \$18,463,038 for the prior year. \$10,308,848 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,308,848, or 106% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of White Settlement's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net

position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, public health, culture and recreation and economic development. The business-type activities of the City include water and wastewater, sanitation and storm water utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Crime Control and Prevention District, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund

statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Crime Control and Prevention District, and capital projects fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

Proprietary funds. The City maintains one type of proprietary fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater operations, sanitation operations and storm water utility district.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater fund and the stormwater utility fund which are considered major funds and the sanitation fund.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-55 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on Exhibits E-1 through E-3 of this report.

The combining and individual nonmajor governmental funds and Economic Development Corporation statements are presented immediately following the required supplementary information. These statements can be found on Exhibits F-1 through F-7 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$57,003,128 as of September 30, 2014.

The largest portion of the City's net position (58%) reflects its investment in capital assets (e.g. land, land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$19,199,244 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Below are summaries of the City's Statement of Net Position and Changes in Net Position.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 18,683,495	\$ 19,338,190	\$ 12,013,734	\$ 11,126,737	\$ 30,697,229	\$ 30,464,927
Capital assets	25,542,211	19,144,633	20,747,869	20,475,496	46,290,080	39,620,129
Total Assets	<u>44,225,706</u>	<u>38,482,823</u>	<u>32,761,603</u>	<u>31,602,233</u>	<u>76,987,309</u>	<u>70,085,056</u>
Long-term liabilities	10,816,634	11,148,500	7,874,486	8,349,338	18,691,120	19,497,838
Other liabilities	407,237	497,141	885,824	1,164,406	1,293,061	1,661,547
Total liabilities	<u>11,223,871</u>	<u>11,645,641</u>	<u>8,760,310</u>	<u>9,513,744</u>	<u>19,984,181</u>	<u>21,159,385</u>
Net Position:						
Invested in capital assets						
net of related debt	19,869,406	13,128,490	13,428,324	12,677,910	33,297,730	25,806,400
Restricted	2,160,407	1,935,460	2,345,747	1,666,924	4,506,154	3,602,384
Unrestricted	10,972,022	11,773,232	8,227,222	7,743,655	19,199,244	19,516,887
Total Net Position	<u>\$ 33,001,835</u>	<u>\$ 26,837,182</u>	<u>\$ 24,001,293</u>	<u>\$ 22,088,489</u>	<u>\$ 57,003,128</u>	<u>\$ 48,925,671</u>

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,159,455	\$ 1,294,734	\$ 7,358,446	\$ 7,145,817	\$ 8,517,901	\$ 8,440,551
Operating grants and contributions	67,809	53,723	-	-	67,809	53,723
Capital grants and contributions	6,642,294	-	553,865	430,624	7,196,159	430,624
General revenues:						
Property taxes	3,919,467	3,954,575	-	-	3,919,467	3,954,575
Sales taxes	3,979,692	3,615,774	-	-	3,979,692	3,615,774
Franchise taxes	1,247,023	1,168,219	-	-	1,247,023	1,168,219
Hotel Occupancy taxes	206,043	185,394	-	-	206,043	185,394
Oil & gas revenues	178,041	126,346	-	-	178,041	126,346
Investment earnings	31,932	25,035	16,066	16,769	47,998	41,804
Gain (loss) on sale of capital assets	(90,969)	25,265	-	-	(90,969)	25,265
Other revenue	56,160	102,580	274	2,988	56,434	105,568
Total revenues	17,396,947	10,551,645	7,928,651	7,596,198	25,325,598	18,147,843
Expenses						
General government	2,622,855	1,467,221	-	-	2,622,855	1,467,221
Public safety	5,908,877	5,768,084	-	-	5,908,877	5,768,084
Public works	1,349,597	1,196,989	-	-	1,349,597	1,196,989
Public health	227,709	206,776	-	-	227,709	206,776
Culture and recreation	1,489,447	1,458,161	-	-	1,489,447	1,458,161
Interest on long-term debt	303,809	275,917	-	-	303,809	275,917
Water and wastewater	-	-	4,687,161	4,747,179	4,687,161	4,747,179
Storm water utility	-	-	40,032	31,317	40,032	31,317
Sanitation	-	-	618,654	603,783	618,654	603,783
Total expenses	11,902,294	10,373,148	5,345,847	5,382,279	17,248,141	15,755,427
Increase (decrease) in net position before transfers	5,494,653	178,497	2,582,804	2,213,919	8,077,457	2,392,416
Transfers	670,000	584,700	(670,000)	(584,700)	-	-
Increase (decrease) in net position	6,164,653	763,197	1,912,804	1,629,219	8,077,457	2,392,416
Net Position October 1	26,837,182	26,236,397	22,088,489	20,754,770	48,925,671	46,991,167
Prior Period Adjustment	-	(162,412)	-	(295,500)	-	(457,912)
Net Position September 30	\$ 33,001,835	\$ 26,837,182	\$ 24,001,293	\$ 22,088,489	\$ 57,003,128	\$ 48,925,671

Governmental Activities. Governmental activities increased the City's net position by \$6,164,653 in the current year compared with an increase of \$763,197 in the prior year.

Total governmental activities revenues increased \$6,845,302 (65%) to \$17,396,947. Key elements of this change are as follows:

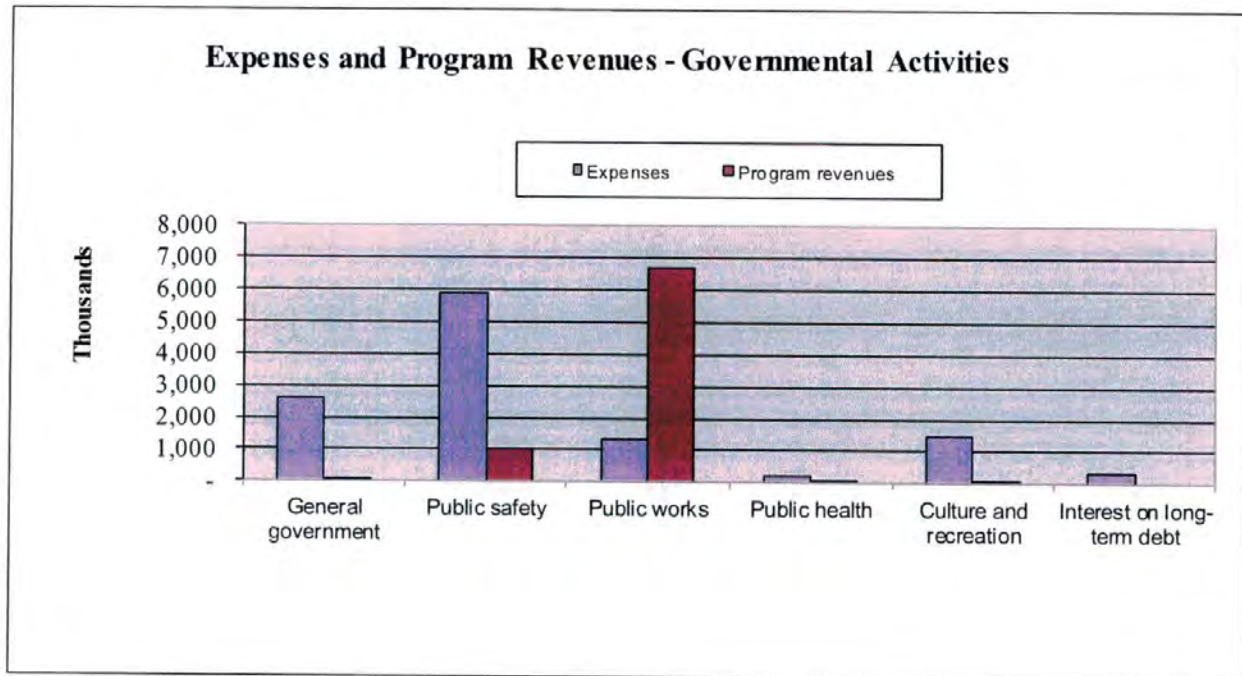
- Capital grants and contributions increased \$6,642,294 due to a federal contribution in the amount of \$6,533,600 for the Farmer's Branch Flood Control Project and a developer contribution of \$108,694 for street improvements.
- Sales tax revenue increased \$363,918 due to the continued improvement of the economy.

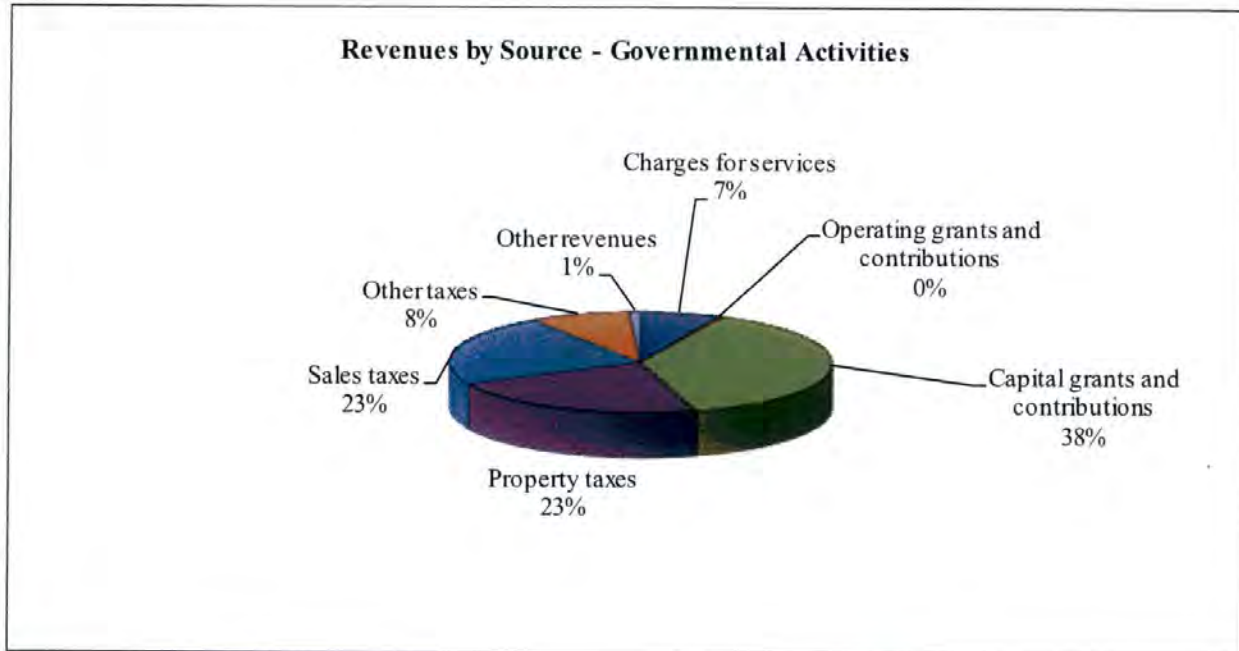
- Charges for services decreased \$135,279 primarily due to a right of way payment received in the prior year.
- Gain on sale of capital assets decreased \$116,234 due to a loss on the sale of property.

Total governmental activities expenses increased \$1,529,146 to \$11,902,294. Key changes are as follows.

- General government expenses increased \$1,155,634 (79%) primarily because a grant was provided to the Economic Development Corporation in the amount of \$1,031,393 for a bond reserve.
- Public works expenses increased \$152,608 primarily due to depreciation expense of \$134,179 on the Farmer's Branch Flood Project that was completed during the year.

Below are two graphs summarizing governmental revenue and expense:





Business-type activities. Business-type activities increased the City's net position by \$1,912,804 in the current year compared to an increase in net position of \$1,629,219 in the prior year.

Total revenues increased \$332,453 (4%) to \$7,928,651. Key elements of these changes are as follows.

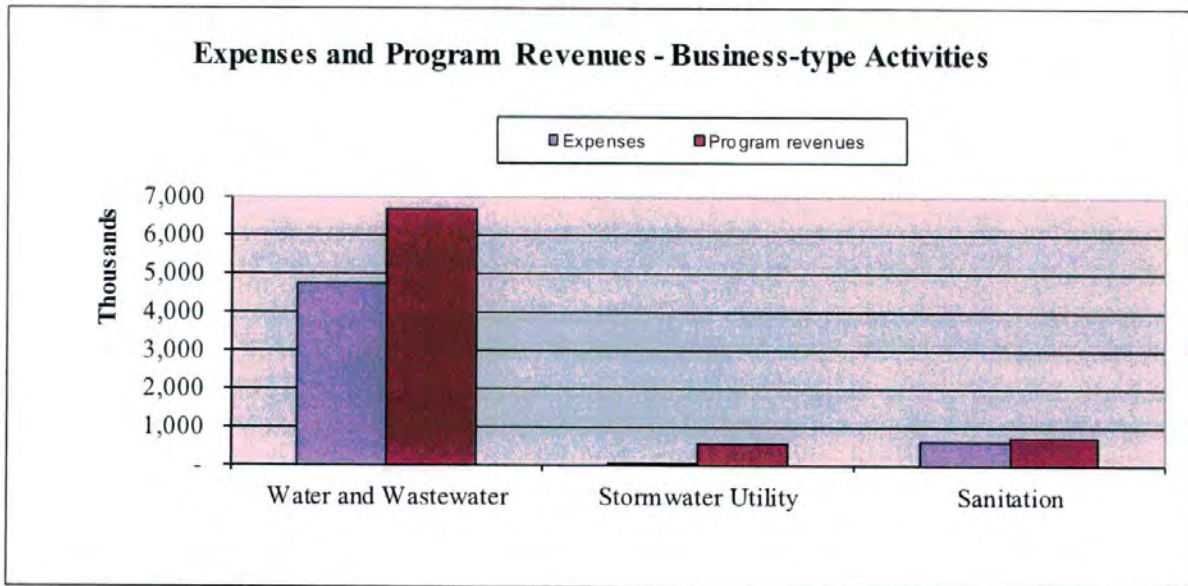
- Charges for services increased \$212,629 (3%) primarily due to a 10% water rate increase partially offset by a 4% decrease in gallons of water sold.

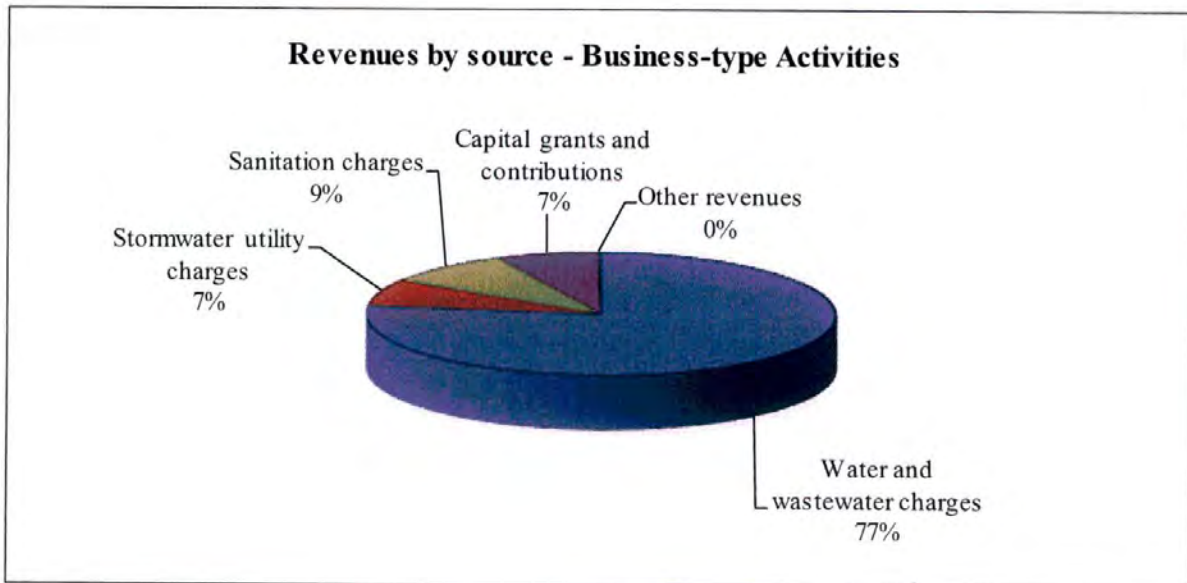
Total expenses decreased \$36,432 (1%) to \$5,345,847. Key elements of these changes are as follows.

- The City produced less water from wells and increased consumption of purchased water. Water cost increased \$120,259 due to the increase in consumption and an increase in water rates charged.
- Wastewater treatment decreased \$191,891 due to a decrease in volume treated of approximately 51 million gallons and a decrease in the volume and BOD rates.

Transfers out increased \$85,300 (15%) to \$670,000.

Below are two graphs summarizing business-type activities revenue and expense:





Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At year end, the City's governmental funds reported combined ending fund balances of \$17,916,148. \$10,308,848 (58%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted or committed for projects and debt service.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,308,848. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 106% of the total general fund expenditures. Fund balance of the general fund increased \$30,779 compared to an increase of \$898,357 in the prior year. Key factors in this growth are as follows:

- Revenues increased \$450,515. Property tax increased \$196,075 due to a 19% rate increase and 7% decline in appraisal values. Sales tax increased \$239,556 due to the continued improvement of the economy. Licenses and permits decreased \$106,399 due to a large right of way payment received in the prior year.
- Total expenditures increased \$460,536. General government expenditures increased \$1,102,677 primarily due to a grant to the Economic Development Corporation for a bond reserve. Public safety expenditures decreased \$693,241 primarily due to the purchase of a fire engine in the prior year.
- Other financing sources decreased \$857,557 from the prior year primarily due the issuance of a \$798,336 capital lease for the purchase of fire engine in the prior year and a \$61,848 decrease in transfers.

The White Settlement Crime Control and Prevention District (the "Crime District") was created to finance, develop and provide crime reduction programs for the City of White Settlement. It is funded with a .5% sales tax. Fund balance of the Crime District increased \$100,927 to \$821,456. Sales tax revenue increased \$124,362 and transfers to the general fund decreased \$267,521. Expenditures decreased \$105,347 primarily due to the purchase of more vehicles and equipment in the prior year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's water and wastewater fund, stormwater utility fund and sanitation fund are enterprise funds that comprise the City's proprietary funds. Unrestricted net position of the water and wastewater fund, stormwater utility fund and sanitation fund at the end of the year amounted to \$5,540,780, \$2,175,397 and \$409,033 respectively. The total change in net position for the three funds was \$1,350,955, \$515,051 and \$46,798 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original and final budget were not significant. Budgeted revenues were increased \$250 and budgeted expenditures were decreased \$7,000.

During the year, actual revenues were \$618,120 greater than budgeted and actual expenditures were \$418,848 greater than budgeted.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2014, amounts to \$46,290,080 (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and wastewater systems, land improvements, machinery and equipment, vehicles, roads, highways and bridges.

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- The Farmers Branch Flood Control Project was completed in the current year. The total cost of the project, including the federal contribution/expenditure, was \$12,453,971. In the current year, the City recognized \$66,188 in expenditures and the federal contribution/expenditure of \$6,533,600.
- \$306,785 for traffic signal lights upgrade.
- \$222,084 for parking lots at Veteran's Park.
- \$108,694 developer contribution of street improvements in the Sunnyview subdivision.
- \$105,864 for Dodge Charger and (2) Chevy Tahoe's for the Crime District.
- \$66,264 for A/C units at the City Hall and Fire Department.

Business-type activities:

- \$539,491 was spent for the Lariat lift station in the current year. The total cost of the project was \$1,096,397.
- \$99,716 developer contribution of water and wastewater systems in the Sunnyview subdivision.

- \$75,005 for a Bobcat loader and a John Deere excavator with buckets.
- \$60,390 for drainage improvements at Veteran's and Central Park.

**The City of White Settlement's Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,841,001	\$ 1,400,731	\$ 36,995	\$ 36,995	\$ 5,877,996	\$ 1,437,726
Construction in progress	-	5,854,182	-	557,627	-	6,411,809
Land improvements	1,204,912	798,708	173,161	175,048	1,378,073	973,756
Buildings and improvements	3,494,816	3,507,939	102,975	105,930	3,597,791	3,613,869
Machinery and equipment	2,379,097	2,618,180	381,617	419,878	2,760,714	3,038,058
Infrastructure	12,622,385	4,964,893	-	-	12,622,385	4,964,893
Water and sewer systems	-	-	18,593,841	17,749,497	18,593,841	17,749,497
Stormwater systems	-	-	1,459,280	1,430,521	1,459,280	1,430,521
Total	<u>\$ 25,542,211</u>	<u>\$ 19,144,633</u>	<u>\$ 20,747,869</u>	<u>\$ 20,475,496</u>	<u>\$ 46,290,080</u>	<u>\$ 39,620,129</u>

Additional information on the City's capital assets can be found in note 1.D.6. and note 6 to the financial statements.

Long-Term Debt

At year-end the City had \$17,182,904 in bonds and leases outstanding, a decrease of \$975,720 from the prior year. \$9,840,956 are general obligation bonds and tax notes that are backed by the full faith and credit of the City, \$6,543,612 are certificates of obligation secured by surplus revenues of the water and wastewater fund and ad valorem taxes.

City of White Settlement's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Capital leases	\$ 798,336	\$ 798,336	\$ -	\$ -	\$ 798,336	\$ 798,336
Tax Notes	3,215,000	3,325,000	-	-	3,215,000	3,325,000
General Obligation Bonds	5,363,437	5,751,999	1,262,519	1,420,814	6,625,956	7,172,813
Certificates of Obligation	-	-	6,543,612	6,862,475	6,543,612	6,862,475
Total	<u>\$ 9,376,773</u>	<u>\$ 9,875,335</u>	<u>\$ 7,806,131</u>	<u>\$ 8,283,289</u>	<u>\$ 17,182,904</u>	<u>\$ 18,158,624</u>

The City's outstanding debt continues to have favorable ratings. The ratings are as follows:

	Moody's Investor Service	Standard & Poor's
General Obligation Bonds, Series 2009	A3	A+
Certificates of Obligation, Series 2009	A3	A+
General Obligation Refunding Bonds, Series 2011	A1	A+

More detailed information about the City's debt is presented in note 7 to the Financial Statements.

Economic factors and the Next Year's Budgets and Rates

Two major sources of revenue come from ad valorem tax revenue and from sales tax revenue. Overall operating revenues are projected to rise slightly across all funds. 2014 property valuations decreased \$8,764,173 (1.5%) to \$563,998,480 from prior year values at \$572,762,653. This property value decrease reflects the stable but consistent fluctuation in property values in the City as a whole. The average market value of a residential home value in 2014 has increased slightly to \$65,057 compared to the average home in 2013 at \$61,333. For this current 2014-2015 Budget, the City Council adopted the effective tax rate of \$0.690660 (which was lower than the rollback rate), but an increase of 2.98% compared to the prior year at \$0.670653 per \$100 valuation. Ad valorem tax revenue carries a \$3.07M budget.

Sales taxes increased in 2013-2014 by 4.93% following a 21.02% decrease in 2012-2013. The 2013-2014 revenue of \$2,658,233 was in line with the 2010-2011 revenue indicating 2011-2012 was an unusually high year. Therefore, sales taxes are conservatively projected in the General Fund at \$2.61M which is basically the same as received in 2013-14.

During the 2013-2014 fiscal year, capital purchases from the 2013 Tax Notes included upgrades to HVAC units for City Hall and Fire Department, Fire Department Storage Mezzanine, software upgrades, truck replacement for Animal Control, upgrades to traffic signals and a Crack Seal Machine, and City Hall sidewalks. Many capital purchases originally requested in the 2014-2015 Budget process will be submitted to City Council for consideration of issuing debt for needed capital items and infrastructure. Projects planned for 2014-2015 include a new Sewer Vac Truck, upgrades to traffic signals and replacing a section of Cherry Lane (one of the major gateways to White Settlement).

The adopted budget includes a 5% cost-of-living increase to all full-time employees which is two percent more than the prior year. City Council and City Administration believe it is important that the City continue to offer competitive salary and benefits in order to hire and retain quality employees. Health, dental, and life insurance coverage continue to be provided at no cost for full-time employees.

In 2012-2013, Council's initiative in taking an active role in addressing community needs with available resources resulted in new state-of-the-art traffic warning signage for the Fire Station and a new 105' Pierce Ladder Truck for the Fire Department. Financing came from a ten year Lease-Purchase Agreement for approximately \$800,000 with Oshkosh Capital. The first payment was not due until October 2014 (the fiscal year 2014-2015).

In 2012-2013, Farmers Branch Flood Project, which was shared with the U.S. Corps of Engineers, was completed but not finalized by the Corps. This included improvement to the main channel from Meadow Park Bridge to White Settlement Road, and replacement of the Meadow Park Bridge. In 2013-2014, \$675,387 of City funds were returned by the U.S. Corps of Engineers and the project was finalized by the Corps. The project was then finalized by the City and capitalized in Fixed Assets.

After the economic downturn began in 2001, the City followed a status quo policy of maintaining basic services and programs with little emphasis on economic development and future growth. An unsettled national economy, the uncertain direction of the global economy, the ongoing war on

terrorism, unrest in the Middle East, dynamic increases in energy costs, and unprecedented changes in health care reform have exerted primary consideration in the development of the operating budgets. During this time continued budgetary discretion was directed to staffing, employee compensation, overall service levels and expenditures for capital projects. Even though several new full-time positions were requested in the 2014-2015 budget process, the conservative approach taken toward budgeting left these positions unapproved. Staff and management will monitor these requests to ensure programs and services are maintained and budget objectives continue to be realized.

In the last five to six years, redevelopment efforts along with conservative fiscal policy have shown signs of stabilization and economic revitalization in the City. This year's budget gives added emphasis to its efforts of long-term strategic plans developed by City Council and City Management. Data has been included to quantify the strategic plan and its projected effect on future years' operational budgets. These plans provide vision for the future, are helpful in the evaluation of Capital Improvement Projects, and serve to help shape the current budget.

The future for the City looks increasingly promising due in part to the addition of new businesses and organizations establishing themselves in White Settlement. The new Hawaiian Falls Water and Adventure Park and the relocation of Region XI Education Service Center were discussed (on page iii) in the managers letter. Other promising events realized in 2013-2014 include the relocation of a major auto dealership from a nearby community to White Settlement, the continued investment and expansion of one of the major businesses in White Settlement, the opening of a new "fun-and-fitness" family oriented business, the relocation/expansion of a major retailer, new offices and warehouse for a new electric company, and the investment in and opening of two new hotels.

Encouraging plans for 2014-2015 include renovation of the landmark "red iron building" (which has been standing vacant for over 15 years) into an attractive multi-story storage facility, the opening of another new hotel, and continued discussions with other businesses which have expressed an interest in our City.

Staff and Council are working together in concentrating on goals, plans and objectives that work toward the future financial stability of the City. The dedication of staff and support of the City Council are critical for an effective allocation of resources. Working together in an efficient and effective manner, City staff and council are dedicated to improving the delivery of services and quality of life for the citizens of White Settlement.

Request for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 214 Meadow Park Drive, White Settlement, Texas 76108.

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BASIC FINANCIAL STATEMENTS

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CITY OF WHITE SETTLEMENT, TEXAS
Statement of Net Position
September 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
ASSETS:				
Cash and cash equivalents	\$ 12,940,799	\$ 5,078,615	\$ 18,019,414	\$ 1,355,711
Certificates of Deposit	3,520,763	2,584,190	6,104,953	927,544
Receivables (Net of allowances for uncollectibles)				
Property taxes	203,499	-	203,499	-
Franchise taxes	198,359	-	198,359	-
Accounts	-	932,339	932,339	-
Miscellaneous	245,848	-	245,848	71
Interest	1,742	-	1,742	-
Note Receivable Short-term	280,000	-	280,000	-
Due from other governments	673,040	-	673,040	225,578
Prepaid expenses	474	-	474	-
Inventory	58,971	-	58,971	-
Note Receivable Long-term	560,000	-	560,000	-
Restricted assets:				
Cash and cash equivalents	-	3,418,590	3,418,590	1,031,405
Capital assets:				
Nondepreciable	5,841,001	36,995	5,877,996	1,116,998
Depreciable, net of accumulated depreciation	19,701,210	20,710,874	40,412,084	16,521,538
Total Assets	44,225,706	32,761,603	76,987,309	21,178,845
LIABILITIES:				
Accounts payable	155,410	281,362	436,772	150,814
Accrued liabilities	182,747	18,320	201,067	6,258
Customer deposits	7,343	-	7,343	-
Current Liabilities Payable from Restricted Assets:				
Interest payable	61,737	37,348	99,085	547,848
Customer deposits	-	548,794	548,794	-
Noncurrent liabilities:				
Due Within One Year	990,769	539,186	1,529,955	287,237
Due in More Than One Year	9,825,865	7,335,300	17,161,165	13,190,733
Total Liabilities	11,223,871	8,760,310	19,984,181	14,182,890
NET POSITION:				
Investments in Capital Assets, Net of Debt	19,869,406	13,428,324	33,297,730	5,038,536
Restricted Net Position (Nonexpendable)				
Library and Senior Services	23,210	-	23,210	-
Restricted Net Position (Expendable)				
Debt service	583,087	2,345,747	2,928,834	1,031,405
Police and court	951,970	-	951,970	-
Tourism, library and senior services	602,140	-	602,140	-
Unrestricted Net Position	10,972,022	8,227,222	19,199,244	926,014
Total Net Position	\$ 33,001,835	\$ 24,001,293	\$ 57,003,128	\$ 6,995,955

The notes to the financial statements are an integral part of this statement.

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Activities
For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 2,622,855	\$ 66,622	\$ -	\$ -
Public safety	5,908,877	986,861	33,809	-
Public works	1,349,597	7,072	34,000	6,642,294
Public health	227,709	18,767	-	-
Culture and recreation	1,489,447	80,133	-	-
Interest on long-term debt	303,809	-	-	-
Total governmental activities	<u>11,902,294</u>	<u>1,159,455</u>	<u>67,809</u>	<u>6,642,294</u>
Business-type activities:				
Water and wastewater	4,687,161	6,101,311	-	553,865
Stormwater utility	40,032	551,483	-	-
Sanitation	618,654	705,652	-	-
Total business-type activities	<u>5,345,847</u>	<u>7,358,446</u>	<u>-</u>	<u>553,865</u>
Total primary government	<u>\$ 17,248,141</u>	<u>\$ 8,517,901</u>	<u>\$ 67,809</u>	<u>\$ 7,196,159</u>
Component Unit				
Economic Development	\$ 547,316	\$ -	\$ -	\$ -
Culture and Recreation	864,702	178,063	-	12,400
Interest on long-term debt	547,848	-	-	-
Bond issuance costs	88,627	-	-	-
Total component unit	<u>\$ 2,048,493</u>	<u>\$ 178,063</u>	<u>\$ -</u>	<u>\$ 12,400</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales and use

Franchise

Hotel occupancy tax

Oil and gas revenues

Investment Earnings

Gain (loss) on sale of capital assets

Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning (Restated)

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Economic Development Corporation
\$ (2,556,233)	\$ -	\$ (2,556,233)	\$ -
(4,888,207)	-	(4,888,207)	-
5,333,769	-	5,333,769	-
(208,942)	-	(208,942)	-
(1,409,314)	-	(1,409,314)	-
(303,809)	-	(303,809)	-
<u>(4,032,736)</u>	<u>-</u>	<u>(4,032,736)</u>	<u>-</u>
-	1,968,015	1,968,015	-
-	511,451	511,451	-
-	86,998	86,998	-
-	<u>2,566,464</u>	<u>2,566,464</u>	<u>-</u>
<u>\$ (4,032,736)</u>	<u>\$ 2,566,464</u>	<u>\$ (1,466,272)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (547,316)
-	-	-	(674,239)
-	-	-	(547,848)
-	-	-	(88,627)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,858,030)</u>
\$ 3,141,427	\$ -	\$ 3,141,427	\$ -
778,040	-	778,040	-
3,979,692	-	3,979,692	1,331,070
1,247,023	-	1,247,023	-
206,043	-	206,043	-
178,041	-	178,041	-
31,932	16,066	47,998	4,958
(90,969)	-	(90,969)	-
56,160	274	56,434	1,053,812
670,000	(670,000)	-	-
<u>10,197,389</u>	<u>(653,660)</u>	<u>9,543,729</u>	<u>2,389,840</u>
6,164,653	1,912,804	8,077,457	531,810
<u>26,837,182</u>	<u>22,088,489</u>	<u>48,925,671</u>	<u>6,464,145</u>
<u>\$ 33,001,835</u>	<u>\$ 24,001,293</u>	<u>\$ 57,003,128</u>	<u>\$ 6,995,955</u>

CITY OF WHITE SETTLEMENT, TEXAS

Exhibit C-1

Balance Sheet
Governmental Funds
September 30, 2014

	General	Crime District	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Assets:					
Cash and investments	\$ 6,219,740	\$ 609,269	\$ 3,718,682	\$ 2,393,108	\$ 12,940,799
Certificates of Deposit	3,520,763	-	-	-	3,520,763
Receivables (Net of allowances for uncollectibles)					
Property taxes	162,566	-	-	40,933	203,499
Franchise taxes	182,174	-	-	16,185	198,359
Miscellaneous	190,662	470	-	54,716	245,848
Interest	1,742	-	-	-	1,742
Note Receivable Short-term	280,000	-	-	-	280,000
Due from other governments	457,424	215,616	-	-	673,040
Prepays	474	-	-	-	474
Inventory - supplies	58,971	-	-	-	58,971
Note Receivable Long-term	560,000	-	-	-	560,000
Total assets	<u>\$ 11,634,516</u>	<u>\$ 825,355</u>	<u>\$ 3,718,682</u>	<u>\$ 2,504,942</u>	<u>\$ 18,683,495</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 132,811	\$ 3,899	\$ 14,713	\$ 3,987	\$ 155,410
Accrued liabilities	182,747	-	-	-	182,747
Customer deposits	7,343	-	-	-	7,343
Total liabilities	<u>322,901</u>	<u>3,899</u>	<u>14,713</u>	<u>3,987</u>	<u>345,500</u>
Deferred inflows of resources:					
Deferred property tax	162,566	-	-	40,933	203,499
Other deferred revenue	218,348	-	-	-	218,348
Total deferred inflows of resources	<u>380,914</u>	<u>-</u>	<u>-</u>	<u>40,933</u>	<u>421,847</u>
Fund Balances:					
Nonspendable	618,971	-	-	23,210	642,181
Restricted	-	821,456	3,703,969	1,336,545	5,861,970
Committed	-	-	-	1,100,267	1,100,267
Assigned	2,882	-	-	-	2,882
Unassigned	10,308,848	-	-	-	10,308,848
Total fund balances	<u>10,930,701</u>	<u>821,456</u>	<u>3,703,969</u>	<u>2,460,022</u>	<u>17,916,148</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,634,516</u>	<u>\$ 825,355</u>	<u>\$ 3,718,682</u>	<u>\$ 2,504,942</u>	<u>\$ 18,683,495</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WHITE SETTLEMENT, TEXAS
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
September 30, 2014

Total Fund Balances - Governmental Funds	\$ 17,916,148
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Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$51,731,320 and the accumulated depreciation was \$26,189,109.	25,542,211
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Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. The details of these differences are as follows:

Interest payable	(61,737)	
General obligation bonds	(5,240,000)	
Premium on general obligation bonds	(123,437)	
Tax notes	(3,215,000)	
Capital leases	(798,336)	
Net pension obligation	(204,620)	
Compensated absences	<u>(1,235,241)</u>	
		(10,878,371)

Certain receivables are not available soon enough to pay for the current period's expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. The details of these differences are as follows:

Property taxes	203,499	
Court fines	105,114	
Franchise taxes	<u>113,234</u>	
		421,847

Net Position of Governmental Activities	<u><u>\$ 33,001,835</u></u>
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CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014

	General	Crime District	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 3,111,733	\$ -	\$ -	\$ 785,848	\$ 3,897,581
Sales and use	2,695,789	1,283,903	-	-	3,979,692
Franchise	962,473	-	-	280,643	1,243,116
Hotel occupancy tax	-	-	-	206,043	206,043
Fines and forfeitures	498,862	-	-	-	498,862
Licenses and permits	446,404	-	-	-	446,404
Intergovernmental revenue	99,419	-	-	33,809	133,228
Charges for service	160,882	-	-	-	160,882
Oil and gas revenues	178,041	-	-	-	178,041
Investment Earnings	15,940	913	11,148	3,931	31,932
Other revenue	26,652	-	-	26,274	52,926
Total revenues	<u>8,196,195</u>	<u>1,284,816</u>	<u>11,148</u>	<u>1,336,548</u>	<u>10,828,707</u>
EXPENDITURES					
Current					
General government	2,540,547	-	-	-	2,540,547
Public safety	5,119,154	353,865	-	44,701	5,517,720
Public works	568,797	-	-	227,590	796,387
Public health	220,462	-	-	-	220,462
Culture and recreation	1,274,713	-	-	75,264	1,349,977
Capital outlay	-	-	907,948	-	907,948
Debt service:					
Principal	-	-	-	490,000	490,000
Interest and fiscal charges	-	-	-	280,789	280,789
Total expenditures	<u>9,723,673</u>	<u>353,865</u>	<u>907,948</u>	<u>1,118,344</u>	<u>12,103,830</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>\$ (1,527,478)</u>	<u>\$ 930,951</u>	<u>\$ (896,800)</u>	<u>\$ 218,204</u>	<u>\$ (1,275,123)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from insurance recoveries	3,234	-	-	-	3,234
Proceeds from sale of general capital assets	54,999	-	-	-	54,999
Transfers in	1,500,024	-	-	-	1,500,024
Transfers out	-	(830,024)	-	-	(830,024)
Total other financing sources (uses)	<u>1,558,257</u>	<u>(830,024)</u>	<u>-</u>	<u>-</u>	<u>728,233</u>
NET CHANGE IN FUND BALANCES	<u>30,779</u>	<u>100,927</u>	<u>(896,800)</u>	<u>218,204</u>	<u>(546,890)</u>
FUND BALANCE, OCTOBER 1, 2013	<u>10,899,922</u>	<u>720,529</u>	<u>4,600,769</u>	<u>2,241,818</u>	<u>18,463,038</u>
FUND BALANCE, SEPTEMBER 30, 2014	<u>\$ 10,930,701</u>	<u>\$ 821,456</u>	<u>\$ 3,703,969</u>	<u>\$ 2,460,022</u>	<u>\$ 17,916,148</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WHITE SETTLEMENT, TEXAS
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances of
The Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ (546,890)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$999,889 of capital outlays and \$490,000 of debt principal payments is to increase net position.	1,489,889
Capital asset donations are revenues in the government-wide financial statements but are not reported in the governmental fund financial statements.	6,642,294
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and transfers between activities) is to decrease net position.	(145,968)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(1,098,637)
Certain liabilities are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. Changes in these balances are reported as expenses in the governmental activities of the Statement of Activities.	
Interest payable	(31,582)
Premium on general obligation bonds	8,562
Compensated absences	(166,696)
	(189,716)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	13,681
Change in Net Position of Governmental Activities	<u>\$ 6,164,653</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2014

	Enterprise Funds			
	Water and Wastewater	Stormwater Utility	Sanitation	Totals
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 2,600,261	\$ 2,109,737	\$ 368,617	\$ 5,078,615
Certificates of Deposit	2,584,190	-	-	2,584,190
Receivables (Net of allowance for uncollectibles):				
Accounts	774,403	66,158	91,778	932,339
Restricted Assets:				
Cash and cash equivalents	3,418,590	-	-	3,418,590
Total current assets	9,377,444	2,175,895	460,395	12,013,734
Capital assets, at cost:				
Land	-	36,995	-	36,995
Buildings and improvements	125,366	-	-	125,366
Land improvements	211,511	-	-	211,511
Waterworks and wastewater system	27,789,820	-	-	27,789,820
Stormwater systems	-	1,616,773	-	1,616,773
Machinery and equipment	1,462,774	75,005	-	1,537,779
	29,589,471	1,728,773	-	31,318,244
Less: accumulated depreciation	(10,412,882)	(157,493)	-	(10,570,375)
Capital assets, net	19,176,589	1,571,280	-	20,747,869
Total noncurrent assets	19,176,589	1,571,280	-	20,747,869
Total assets	\$28,554,033	\$ 3,747,175	\$ 460,395	\$32,761,603

The notes to the financial statements are an integral part of this statement.

	Enterprise Funds			
	Water and Wastewater	Stormwater Utility	Sanitation	Totals
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 229,502	\$ 498	\$ 51,362	\$ 281,362
Accrued liabilities	18,320	-	-	18,320
Current portion of long-term liabilities	539,186	-	-	539,186
Current Liabilities Payable from Restricted Assets:				
Interest payable	37,348	-	-	37,348
Customer deposits payable	548,794	-	-	548,794
Total current liabilities	1,373,150	498	51,362	1,425,010
Noncurrent Liabilities:				
Net pension obligation	26,328	-	-	26,328
Bonds payable	7,308,972	-	-	7,308,972
Total noncurrent liabilities	7,335,300	-	-	7,335,300
Total liabilities	8,708,450	498	51,362	8,760,310
NET POSITION:				
Investment in capital assets, net of debt	11,857,044	1,571,280	-	13,428,324
Restricted for debt service (Expendable)	2,447,759	-	-	2,447,759
Unrestricted	5,540,780	2,175,397	409,033	8,125,210
Total net position	<u>\$ 19,845,583</u>	<u>\$ 3,746,677</u>	<u>\$ 409,033</u>	<u>\$ 24,001,293</u>

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2014

	Enterprise Funds			
	Water and Wastewater	Stormwater Utility	Sanitation	Totals
Operating revenues:				
Charges for sales and services	\$ 6,101,311	\$ 551,483	\$ 705,652	\$ 7,358,446
Total operating revenue	6,101,311	551,483	705,652	7,358,446
Operating expenses:				
Utility Billing	464,581	-	-	464,581
Water production and distribution	2,027,111	-	-	2,027,111
Wastewater collection and treatment	1,237,853	-	-	1,237,853
Stormwater utility	-	8,401	-	8,401
Sanitation	-	-	618,654	618,654
Depreciation	649,894	31,631	-	681,525
Total operating expenses	4,379,439	40,032	618,654	5,038,125
Operating income (loss)	1,721,872	511,451	86,998	2,320,321
Nonoperating revenues (expenses):				
Proceeds from insurance recoveries	274	-	-	274
Investment earnings	12,466	3,600	-	16,066
Interest expense	(307,722)	-	-	(307,722)
Total nonoperating revenues (expenses)	(294,982)	3,600	-	(291,382)
Income (loss) before contributions and transfers	1,426,890	515,051	86,998	2,028,939
Capital contributions and transfers:				
Capital Contributions	553,865	-	-	553,865
Transfers out	(629,800)	-	(40,200)	(670,000)
Change in Net Position	1,350,955	515,051	46,798	1,912,804
Net Position, October 1, 2013	18,494,628	3,231,626	362,235	22,088,489
Net Position, September 30, 2014	\$ 19,845,583	\$ 3,746,677	\$ 409,033	\$ 24,001,293

The notes to the financial statements are an integral part of this statement.

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2014

	Enterprise Funds			
	Water and Wastewater Fund	Stormwater Utility	Sanitation	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 6,190,818	\$ 547,945	\$ 703,599	\$ 7,442,362
Cash paid to suppliers	(3,469,340)	(8,332)	(622,188)	(4,099,860)
Cash paid to employees	(601,621)	-	-	(601,621)
Net cash provided by operating activities	<u>2,119,857</u>	<u>539,613</u>	<u>81,411</u>	<u>2,740,881</u>
Cash flow from noncapital financing activities:				
Transfers to other funds	(629,800)	-	(40,200)	(670,000)
Net cash provided (used) by noncapital financing activities	<u>(629,800)</u>	<u>-</u>	<u>(40,200)</u>	<u>(670,000)</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(475,000)	-	-	(475,000)
Capital contribution for debt service	304,351	-	-	304,351
Capital expenditures	(568,989)	(135,395)	-	(704,384)
Proceeds from insurance recoveries	274	-	-	274
Interest paid on bonds	(309,881)	-	-	(309,881)
Net cash (used) by capital and related financing activities	<u>(1,049,245)</u>	<u>(135,395)</u>	<u>-</u>	<u>(1,184,640)</u>
Cash flow from investing activities:				
Investment earnings	12,466	3,600	-	16,066
Purchase of Certificates of Deposit	(771,566)	-	-	(771,566)
Net cash provided by investing activities	<u>(759,100)</u>	<u>3,600</u>	<u>-</u>	<u>(755,500)</u>
Net increase (decrease) in cash and cash equivalents	(318,288)	407,818	41,211	130,741
Cash and cash equivalents, beginning	<u>6,337,139</u>	<u>1,701,919</u>	<u>327,406</u>	<u>8,366,464</u>
Cash and cash equivalents, ending	<u>\$ 6,018,851</u>	<u>\$ 2,109,737</u>	<u>\$ 368,617</u>	<u>\$ 8,497,205</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ 1,721,872</u>	<u>\$ 511,451</u>	<u>\$ 86,998</u>	<u>\$ 2,320,321</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	649,894	31,631	-	681,525
(Increase) decrease in accounts receivable	20,901	(3,538)	(2,053)	15,310
Increase (decrease) in accounts payable	(345,202)	69	(3,534)	(348,667)
Increase (decrease) in accrued liabilities	1,479	-	-	1,479
Increase (decrease) in customer meter deposits	68,606	-	-	68,606
Increase (decrease) in compensated absences payable	2,307	-	-	2,307
Total adjustments	<u>397,985</u>	<u>28,162</u>	<u>(5,587)</u>	<u>420,560</u>
Net cash provided by operating activities	<u>\$ 2,119,857</u>	<u>\$ 539,613</u>	<u>\$ 81,411</u>	<u>\$ 2,740,881</u>
Noncash Investing, Capital and Financing Activities				
Contributions of capital assets from another government	<u>\$ 249,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,514</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Reporting Entity**

The City of White Settlement, Texas (the City) was incorporated under the laws of the State of Texas in 1941. The City is governed by an elected mayor and five-member council. The City provides the following services: public safety, streets, parks and recreation, library, water and wastewater, sanitation, planning and zoning, building inspection, code enforcement, and general administrative services.

As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. Based on these considerations, the White Settlement Economic Development Corporation and the White Settlement Crime Control Prevention have been included in the City's reporting entity as component units. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Consideration regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity is based on criteria presented by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is financially independent of other state and local governments. Additional prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that inclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

The White Settlement Economic Development Corporation (a nonprofit development corporation formed under the Development Corporation Act of 1979, Texas Rev. Civil Statute) was incorporated June 28, 1994. The Corporation's services are provided to stimulate economic growth for the City. A board of seven directors appointed by the City Council governs the Corporation. The purpose of the Corporation is to develop, implement, provide and finance projects allowed under the Development Corporation Act. Operation of the Corporation is funded by one-half percent sales tax approved by the voters. The City is the sole beneficiary of the EDC and will receive the remaining assets and assume the remaining liabilities upon termination. Separate unaudited financial statements may be obtained at the City's administrative office.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Blended Component Unit

The White Settlement Crime Control and Prevention District (the "Crime District") is an entity legally separate from the City and was created by resolution of the City Council with approval by vote of the residents of White Settlement. The Crime District is governed by a seven-member board appointed by the City Council. The City Council approves the budget of the Crime District. The day-to-day operations of the Crime District are performed by City employees. For financial reporting purposes, the Crime Control and Prevention District is reported as if it were a part of the City's operations because its primary purpose is to support the crime prevention and enforcement activities of the general fund. The Crime District makes transfers to the General and Debt Service funds of the City for police salaries and debt payments for police equipment. In addition the Crime District pays for ammunition, uniforms, tools and equipment, equipment and building repairs, travel, training and automobiles for the White Settlement police department. The services provided to others are insignificant to the overall activities of the Crime District. The Crime Control and Prevention District is presented as a special revenue fund. Separate unaudited financial statements may be obtained at the City's administrative office.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separately component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales and use taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The White Settlement Crime Control and Prevention District ("*Crime District*") is a blended component unit that is financed with a ½ percent sales tax. The Crime District was created to develop and provide crime reduction programs for the City of White Settlement.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The *capital projects fund* is used to account for construction of major capital projects not being financed by the proprietary funds.

The City reports the following major proprietary funds:

The *water and wastewater fund* accounts for the provision of water and wastewater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The *stormwater utility fund* is used to account for the maintenance of the drainage system for the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds, distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity

1. *Cash and Investments*

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments that are highly liquid with maturity within three months or less when purchased. Assets reported as cash and investments are considered cash and cash equivalents for the statement of cash flows.

2. *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable aged +2 months comprises the trade accounts receivable allowance for uncollectible accounts. The property tax receivable and municipal court allowances are equal to 30% and 85% respectively of the outstanding balances at September 30, 2014.

3. *Unbilled Service*

Utility operating revenues (water, wastewater, storm water and refuse collection) are billed on monthly cycles. The City records estimated revenues for services delivered during the fiscal year, which will be billed during the next fiscal year.

4. *Inventory*

The inventories of supplies are valued at cost using the first-in-first-out ("FIFO") method. Inventory in the governmental funds are accounted for using the consumption method.

5. *Prepaid Expenses*

Payments made for services that will benefit periods beyond September 30, 2014, are recorded as prepaid expenses in both the government-wide and fund financial statements. Prepaid expenses in the governmental funds are accounted for using the purchases method.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water and wastewater fund during the current fiscal year was \$307,722. Of this amount \$0 was included as part of the cost of capital assets under construction in connection with water and wastewater construction projects.

Property, plant and equipment of the primary government and component unit are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 - 30 years
Buildings	10 - 40 years
Water and wastewater system	20 - 50 years
Machinery and equipment	3 - 10 years
Vehicles	3 - 10 years
Infrastructure	20 - 50 years

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. After completing one full year of service, employees are eligible to be reimbursed an amount equal to 40 hours of sick pay (calculated at their then-current rate of pay), less the number of sick pay hours claimed during the preceding 12-month period. Otherwise, the City's policy is that upon separation from service, only civil service employees will receive payment for unused sick pay benefits. All vacation pay and civil service employees' sick leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

8. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as they are incurred and are no longer amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balance – Governmental Funds

The City implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council ordinance).

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has delegated the authority to assign fund balance to the City Manager by resolution.

Unassigned – All amounts not included in other spendable classifications.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

9. Fund Balance – Governmental Funds (Continued)

The details of the fund balances of the governmental funds are as follows:

	General Fund	Crime District	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays and inventory	\$ 58,971	\$ -	\$ -	\$ -	\$ 58,971
Long-term note receivable	560,000	-	-	-	560,000
Library Endowment	-	-	-	12,105	12,105
Senior Services Endowment	-	-	-	11,105	11,105
Restricted:					
Debt Service	-	-	-	603,891	603,891
Construction	-	-	3,703,969	-	3,703,969
Police and court	-	821,456	-	130,514	951,970
Tourism, library and senior services	-	-	-	602,140	602,140
Committed:					
Street improvement	-	-	-	1,100,267	1,100,267
Assigned:					
Pride Commission	2,882	-	-	-	2,882
Unassigned	10,308,848	-	-	-	10,308,848
	<u>\$ 10,930,701</u>	<u>\$ 821,456</u>	<u>\$ 3,703,969</u>	<u>\$ 2,460,022</u>	<u>\$ 17,916,148</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

The City Council adopted a minimum fund balance policy for the General Fund. The policy requires the city strive to maintain a yearly unassigned fund balance in the general fund of 144 days of annual budgeted expenditures. At the end of the year, the unassigned fund balance of \$10,308,848 was \$6,637,903 above the minimum fund balance requirement of \$3,670,945.

10. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

10. Net Position (Continued)

The following is a reconciliation of restricted fund balance reported in the governmental fund financial statements to restricted net position of the governmental activities reported in the government-wide financial statements.

Restricted Fund Balance (Exhibit C-1)	\$ 5,861,970
Adjustments	
Accrued interest payable restricted for debt service	(61,737)
Deferred property tax revenue restricted for debt service	40,933
Permanent Fund principal	23,210
Restricted for construction	<u>(3,703,969)</u>
Total adjustments	<u>(3,701,563)</u>
Restricted Net Position (Exhibit A-1)	<u>\$ 2,160,407</u>

The net position of the City has been restated to reflect the net position of the City separately from the Economic Development Corporation. The beginning net position has been restated to \$26,837,182.

11. Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

Substantially all operating cash and investments, including those of the White Settlement Economic Development Corporation, discretely presented component units, are maintained in consolidated cash and investment accounts. Investment income relating to consolidated investments is allocated to the individual funds monthly based on the funds' pro-rata share of total cash and investments.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

The City's investment policy authorizes the City to invest in obligations of the United States and its agencies; direct obligations of the State of Texas and agencies thereof; other obligations, the principal and interest on which are unconditionally guaranteed by the State of Texas and United States; obligations of the states, agencies, counties, cities and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm, and having received a rating of not less than "A" or its equivalent; secured certificates of deposit of state and national banks domiciled in Texas; fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies; and joint pools of political subdivisions in the State of Texas. Investments are stated at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2014, the City did not own any types of securities other than those permitted by statute.

The City invests idle funds in the Texas Local Government Investment Pool (TexPool). The City's investment pool operates in a manner consistent with the SEC's Rule 2A7 of the Investment Act of 1940. The Pool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the City's position is the same as the value of the City's shares.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance. At September 30, 2014, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by its investment policy.

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting the final stated maturity of any investment to three years and the average maturity of the City's operating funds to one year. As of September 30, 2014, all of the City's investments were invested for a period not exceeding three years and the average maturity of operating funds was less than one year.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

The City's investments at September 30, 2014 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Weighted Average Maturities</u>	<u>Percentage of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
Investment in Tex-Pool	AAAm	83 days	100.00%	\$ 4,391,006	\$ 4,391,006
				<u>\$ 4,391,006</u>	<u>\$ 4,391,006</u>

The following cash and investments in the enterprise funds are restricted for the following purposes:

<u>Enterprise Funds</u>	<u>Cash and Investments</u>
Customer deposits	\$ 548,794
Construction	486,701
Interest and sinking funds	<u>2,383,095</u>
Total	<u>\$ 3,418,590</u>

Cash and investments in the amount of \$1,031,405 in the Economic Development Corporation are restricted for debt service.

Investment earnings of \$80,907 are reported net of advisory service fees of \$27,951.

NOTE 3: PROPERTY TAX

The City's property tax is levied (assessed) each October 1, on the value listed as of the prior January 1, for all real property and personal property located in the City. Such assessed value for 2013 was computed based on 100% of appraised value.

Beginning with the 1982 levy, the appraisal property within the City became the responsibility of a countrywide appraisal district as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the government may, at its own expense require annual reviews of appraised values.

The government may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 3: PROPERTY TAX (Continued)

General property taxes are limited by the government's Home Rule Charter to \$1.50 per \$100 of assessed valuation. The combined tax rate to finance general governmental service and debt service for the period ended September 30, 2014, was \$0.670653 per \$100 of assessed valuation.

Taxes are billed and due on October 1 of each year. The last date for payment without penalty is the following January 31. Delinquent penalties are added on February 1 with additional attorney fees being added on July 1. Lien attaches to properties on the January 1 following levy date. Tarrant County bills and collects the general property taxes for the City. During the fiscal year, the City collected approximately 98% of the 2013 tax levy.

In the governmental funds the City's property tax revenues are recognized when levied to the extent that they result in current receivables available for financing current operations. The remaining receivables are reflected in deferred revenue.

NOTE 4: RECEIVABLES

Receivables as of year-end for the City's major and nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

	General	Crime District	Nonmajor Governmental	Water and Wastewater	Stormwater Utility	Sanitation
Receivables:						
Property taxes	\$ 232,237	\$ -	\$ 58,476	\$ -	\$ -	\$ -
Franchise taxes	182,174	-	16,185	-	-	-
Occupancy tax	-	-	54,716	-	-	-
Water and wastewater	-	-	-	419,074	-	-
Stormwater utility	-	-	-	-	38,055	-
Sanitation	-	-	-	-	-	50,631
Earned and unbilled services	-	-	-	369,171	29,239	41,147
Miscellaneous	786,306	470	-	-	-	-
Interest	1,742	-	-	-	-	-
Note receivable short-term	280,000	-	-	-	-	-
Note receivable long-term	560,000	-	-	-	-	-
Gross Receivables	2,042,459	470	129,377	788,245	67,294	91,778
Less: allowance for uncollectibles	(665,315)	-	(17,543)	(13,842)	(1,136)	-
Net total receivables	<u>\$ 1,377,144</u>	<u>\$ 470</u>	<u>\$ 111,834</u>	<u>\$ 774,403</u>	<u>\$ 66,158</u>	<u>\$ 91,778</u>

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 4: RECEIVABLES (Continued)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

Deferred property taxes receivable (General Fund)	\$ 162,566
Franchise tax receivable	113,235
Court fees receivable	105,113
Deferred property taxes receivable (Debt Service Fund)	<u>40,933</u>
Total deferred revenue for governmental funds	<u>\$ 421,847</u>

NOTE 5: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2014, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Crime District	830,024	Crime prevention
	Water and Wastewater	629,800	Payments in lieu of taxes
	Other Enterprise	<u>40,200</u>	Payments in lieu of taxes
Total Governmental Funds Transfers In		<u>\$ 1,500,024</u>	

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non - Depreciable Assets:				
Land	\$ 1,400,731	\$ 4,440,270	\$ -	\$ 5,841,001
Construction in Progress	5,854,182	6,599,788	(12,453,970)	-
Total non-depreciable assets	<u>7,254,913</u>	<u>11,040,058</u>	<u>(12,453,970)</u>	<u>5,841,001</u>
Depreciable Assets:				
Land improvements	2,124,939	565,199	-	2,690,138
Building and improvements	6,822,918	151,065	-	6,973,983
Machinery and equipment	7,580,341	217,437	(140,835)	7,656,943
Infrastructure	20,592,829	7,976,426	-	28,569,255
Total capital assets being depreciated	<u>37,121,027</u>	<u>8,910,127</u>	<u>(140,835)</u>	<u>45,890,319</u>
Accumulated Depreciation:				
Land improvements	(1,326,231)	(158,995)		(1,485,226)
Building and improvements	(3,314,979)	(164,188)		(3,479,167)
Machinery and equipment	(4,962,161)	(456,520)	140,835	(5,277,846)
Infrastructure	(15,627,936)	(318,934)		(15,946,870)
Total accumulated depreciation	<u>(25,231,307)</u>	<u>(1,098,637)</u>	<u>140,835</u>	<u>(26,189,109)</u>
Governmental activities capital assets, net	<u>\$ 19,144,633</u>	<u>\$ 18,851,548</u>	<u>\$(12,453,970)</u>	<u>\$ 25,542,211</u>

Land purchased as part of the Farmers Branch Flood Reduction project acquired for \$1,219,229 is being marketed for sale by the City.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 6: CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Non - Depreciable Assets:				
Land	\$ 36,995	\$ -	\$ -	\$ 36,995
Construction in Progress	557,627	718,788	(1,276,415)	-
Total non-depreciable assets	<u>594,622</u>	<u>718,788</u>	<u>(1,276,415)</u>	<u>36,995</u>
Depreciable Assets:				
Land improvements	211,511	-	-	211,511
Building and improvements	125,366	-	-	125,366
Machinery and equipment	1,475,315	75,005	(12,541)	1,537,779
Water and wastewater systems	26,401,149	1,388,671	-	27,789,820
Stormwater systems	1,556,383	60,390	-	1,616,773
Total capital assets being depreciated	<u>29,769,724</u>	<u>1,524,066</u>	<u>(12,541)</u>	<u>31,281,249</u>
Accumulated Depreciation:				
Land improvements	(36,463)	(1,887)	-	(38,350)
Building and improvements	(19,436)	(2,955)	-	(22,391)
Machinery and equipment	(1,055,437)	(100,725)	-	(1,156,162)
Water and wastewater systems	(8,651,652)	(544,327)	-	(9,195,979)
Stormwater systems	(125,862)	(31,631)	-	(157,493)
Total accumulated depreciation	<u>(9,888,850)</u>	<u>(681,525)</u>	<u>-</u>	<u>(10,570,375)</u>
Business-type activities capital assets, net	<u>\$ 20,475,496</u>	<u>\$ 1,561,329</u>	<u>\$ (1,288,956)</u>	<u>\$ 20,747,869</u>
Component Unit:				
Non - Depreciable Assets:				
Land	\$ 1,104,598	\$ 12,400	\$ -	\$ 1,116,998
Construction in Progress	-	12,506,362	(12,506,362)	-
Total non-depreciable assets	<u>1,104,598</u>	<u>12,518,762</u>	<u>(12,506,362)</u>	<u>1,116,998</u>
Depreciable Assets:				
Land improvements	5,133,017	3,211,808	-	8,344,825
Building and improvements	36,408	1,994,445	-	2,030,853
Machinery and equipment	374,021	7,315,838	(11,146)	7,678,713
Total capital assets being depreciated	<u>5,543,446</u>	<u>12,522,091</u>	<u>(11,146)</u>	<u>18,054,391</u>
Accumulated Depreciation:				
Land improvements	(1,114,893)	(40,148)	-	(1,155,041)
Building and improvements	(15,922)	(12,465)	-	(28,387)
Machinery and equipment	(238,903)	(121,668)	11,146	(349,425)
Total accumulated depreciation	<u>(1,369,718)</u>	<u>(174,281)</u>	<u>11,146</u>	<u>(1,532,853)</u>
Component unit capital assets, net	<u>\$ 5,278,326</u>	<u>\$ 24,866,572</u>	<u>\$(12,506,362)</u>	<u>\$ 17,638,536</u>

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 27,008
Public safety	400,745
Public works	537,376
Public health	768
Culture and recreation	132,740
Total depreciation expense - governmental activities	<u>\$1,098,637</u>
Business-type activities:	
Water and wastewater	\$ 649,894
Stormwater utility	31,631
Total depreciation expense - business-type activities	<u>\$ 681,525</u>
Component Unit:	
Culture and Recreation	\$ 174,281
Total depreciation expense - component unit	<u>\$ 174,281</u>

NOTE 7: LONG-TERM LIABILITIES

A. Capital Leases Payable

Governmental Activities:

On September 16, 2013, the City entered into a municipal lease-purchase agreement in the amount of \$798,336 for financing the purchase of a fire engine. The total cost of the fire engine was \$798,336. This lease is considered a capital lease for accounting purposes and, accordingly, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

Total capital assets acquired through capital leases were as follows:

	<u>Governmental Activities</u>
Assets:	
Fire Engine	798,336
Less: accumulated depreciation	<u>(39,467)</u>
Total	<u>\$ 758,869</u>

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 7: LONG-TERM LIABILITIES (Continued)

A. Capital Leases Payable (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2015	\$ 93,480
2016	93,480
2017	93,480
2018	93,480
2019	93,480
2020 - 2024	<u>467,400</u>
Total debt service requirements	934,800
Less: interest portion	<u>136,464</u>
Obligations under capital lease	<u><u>\$ 798,336</u></u>

B. Tax Notes Payable

The City issues Tax Notes for the purpose of acquiring street maintenance equipment, constructing and equipping a new early warning system, renovating and expanding City facilities, and to pay the costs of issuance incurred in connection with the issuance of the note. Tax notes outstanding are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Amount Outstanding</u>
General government	09/19/13	02/01/20	2.00%	3,325,000	3,215,000

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2014

NOTE 7: LONG-TERM LIABILITIES (Continued)

B. Tax Notes Payable (Continued)

The annual debt service requirements to maturity for tax notes outstanding as of September 30, 2014 are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 155,000	\$ 62,750	\$ 217,750
2016	155,000	59,650	214,650
2017	165,000	56,450	221,450
2018	170,000	53,100	223,100
2019	170,000	49,700	219,700
2020 - 2024	2,400,000	24,000	2,424,000
	<u>\$ 3,215,000</u>	<u>\$ 305,650</u>	<u>\$ 3,520,650</u>

C. Bonds Payables

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
General government	05/01/09	02/15/29	2.5 - 4.625%	6,150,000	5,240,000

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 7: LONG-TERM LIABILITIES (Continued)

C. Bonds Payables (Continued)

The annual debt service requirements to maturity for general obligation bonds outstanding as of September 30, 2014, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 265,000	\$ 208,931	\$ 473,931
2016	275,000	200,831	475,831
2017	280,000	191,806	471,806
2018	290,000	181,831	471,831
2019	305,000	170,656	475,656
2020 - 2024	1,710,000	656,054	2,366,054
2025 - 2029	2,115,000	248,369	2,363,369
	<u>\$ 5,240,000</u>	<u>\$ 1,858,478</u>	<u>\$ 7,098,478</u>

The City's Water and Wastewater Fund also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Water and Wastewater Fund bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Water and wastewater	05/01/09	02/15/29	2.5 - 4.625%	\$ 8,000,000	\$ 6,560,000
Enterprise refunding	07/15/11	02/15/21	2.0 - 3.0%	1,705,000	1,240,000

April 8, 2010 the City of White Settlement and City of Fort Worth entered into an agreement where the City of Fort Worth agreed to pay 51.46% of the cost of the Farmers Branch Wastewater Interceptor Project. The City of White Settlement issued 2009 certificates of obligation to fund the project. The City of Fort Worth agreed to pay 51.46% of the annual debt service requirements beginning in 2010 through maturity in 2029. The amount received from the City of Fort Worth was \$304,351 and was reported as a capital contribution in the water and wastewater fund.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 7: LONG-TERM LIABILITIES (Continued)

C. Bonds Payables (Continued)

Water and Wastewater Fund bond debt service requirements to maturity are as follows:

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2015	\$ 495,000	\$ 292,181	\$ 787,181
2016	510,000	278,781	788,781
2017	520,000	264,156	784,156
2018	540,000	247,319	787,319
2019	560,000	228,006	788,006
2020 - 2024	2,520,000	834,665	3,354,665
2025 - 2029	2,655,000	312,143	2,967,143
	<u>\$ 7,800,000</u>	<u>\$ 2,457,251</u>	<u>\$ 10,257,251</u>

The Economic Development Corporation issued sales tax revenue bonds for the purpose of constructing an amusement park. Sales tax revenue bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Amusement park	11/12/13	12/01/33	2.93%	\$ 12,600,000	\$ 12,600,000

Economic Development Corporation bond debt service requirements to maturity are as follows:

Year Ending September 30,	Economic Development Corporation		
	Principal	Interest	Total
2015	\$ -	\$ 969,864	\$ 969,864
2016	405,000	622,324	1,027,324
2017	425,000	601,522	1,026,522
2018	450,000	579,559	1,029,559
2019	475,000	556,341	1,031,341
2020 - 2024	2,760,000	2,390,022	5,150,022
2025 - 2029	3,535,000	1,603,263	5,138,263
2030 - 2034	4,550,000	594,147	5,144,147
	<u>\$ 12,600,000</u>	<u>\$ 7,917,042</u>	<u>\$ 20,517,042</u>

The various bond ordinances contain a number of limitations and restrictions. Management believes the City is in compliance with all significant limitation and restrictions at September 30, 2014.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 7: LONG-TERM LIABILITIES (Continued)

C. Note Payable

The General Fund loaned the Economic Development Corporation \$1,400,000 for the renovation of Central Park. The loan is to be repaid, interest free, \$280,000 per year for five years beginning in 2013.

D. Changes in Long-term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 5,620,000	\$ -	\$ 380,000	\$ 5,240,000	\$ 265,000
Issuance premium	131,999	-	8,562	123,437	8,562
Total bonds payable	5,751,999	-	388,562	5,363,437	273,562
Capital leases	798,336	-	-	798,336	68,110
Tax notes	3,325,000	-	110,000	3,215,000	155,000
Net pension obligation	204,620	466,477	466,477	204,620	-
Compensated absences	1,068,545	594,114	427,418	1,235,241	494,097
Total Governmental Activities	\$ 11,148,500	\$ 1,060,591	\$ 1,392,457	\$ 10,816,634	\$ 990,769
Business-type Activities:					
Certificates of obligation	\$ 6,880,000	\$ -	\$ 320,000	\$ 6,560,000	\$ 330,000
General obligation bonds	1,395,000	-	155,000	1,240,000	165,000
Issuance premium/discount	8,289	-	2,158	6,131	2,159
Total bonds payable	8,283,289	-	477,158	7,806,131	497,159
Net pension obligation	26,328	60,020	60,020	26,328	-
Compensated absences	39,720	42,027	39,720	42,027	42,027
Total Business-type Activities	\$ 8,349,337	\$ 102,047	\$ 576,898	\$ 7,874,486	\$ 539,186
Economic Development:					
Sales tax revenue bonds	\$ -	\$ 12,600,000	\$ -	\$ 12,600,000	\$ -
Net pension obligation	11,034	25,155	25,155	11,034	-
Compensated absences	26,544	10,061	9,669	26,936	7,237
Note payable - General Fund	1,120,000	-	280,000	840,000	280,000
Total Economic Development	\$ 1,157,578	\$ 12,635,216	\$ 314,824	\$ 13,477,970	\$ 287,237
Total Long-term Liabilities	\$ 20,655,415	\$ 13,797,854	\$ 2,284,179	\$ 32,169,090	\$ 1,817,192

Compensated absences and the net pension obligations of the governmental activities and business-type activities are paid by the general fund and water and wastewater fund, respectively.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 7: LONG-TERM LIABILITIES (Continued)

E. Federal Arbitrage

General obligation bonds, combination tax revenue bonds and certificates of obligation are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions.

NOTE 8: RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City's general liability, automobile and property insurance is underwritten through a self-insurance fund for Texas political subdivisions. Premiums are paid to the carrier, and they administer all claims. The City is also insured for workers' compensation claims through a self-insurance fund for Texas political subdivisions. Rates are determined by the state, and the pool assigns discount rates to premiums based upon the City's claims history. The City retains, as a risk, only the deductible amount of each policy.

The City has maintained insurance coverage in all major categories of risk comparable to that of the prior year with no reduction in coverage. The amount of settlements during the past three years has not exceeded the insurance coverage.

NOTE 9: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The City's responsibility is to transmit employee contributions to the third party plan administrator for deposit to the credit of the individual participant accounts. The City does not have significant administrative involvement for the assets of the plan and does not perform the investment function for the plan.

NOTE 10: RETIREMENT PLAN

Plan Description

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 10: RETIREMENT PLAN (Continued)

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS's website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows for both the 2013 and 2014 plan years:

Employee Deposit Rate:	5%
Matching Ratio (city to employee)	2 to 1
Years required before vesting	5 years
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increases (to retirees)	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The city contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e.; the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015).

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 10: RETIREMENT PLAN (Continued)

The annual pension cost and net pension obligation/(asset) are as follows:

Fiscal Year	2012	2013	2014
Annual Required Contribution (ARC)	\$ 528,040	\$ 551,012	\$ 603,851
Interest on Net Pension Obligation	15,582	16,939	17,038
Adjustment to ARC	(13,394)	(16,299)	(17,037)
Annual Pension Cost (APC)	530,228	551,652	603,852
Contributions Made	(510,839)	(551,652)	(603,852)
Increase (Decrease) in Net Pension Obligation	19,389	-	-
Net Pension Obligation/(Asset), beginning of year	222,593	241,982	241,982
Net Pension Obligation/(Asset), end of year	\$ 241,982	\$ 241,982	\$ 241,982
Contributions as a percentage of APC	96.3%	100.0%	100.0%

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

General System-wide Actuarial Assumptions

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payoll	Level Percent of Payoll	Level Percent of Payoll
GASB 25 Equivalent Single Amortization Period	26.3 Years-Closed	25.4 Years-Closed	27.0 Years-Closed
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed	10-year Smoothed	10-year Smoothed
Actuarial Assumptions:			
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation At	3.0%	3.0%	3.0%
Cost of Living Adjustments	2.1%	2.1%	2.1%

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 10: RETIREMENT PLAN (Continued)

Funding Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (ALL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2013	19,159,451	23,009,625	83.3%	3,850,174	5,437,734	70.8%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2014

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit" or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The city's contributions to the TMRS SDBF for the years ended 2014, 2013, and 2012 were \$1,705, \$1,589, and \$1,533, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates: (RETIREE-only portion of the rate)			
Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2012	0.03%	0.03%	100.0%
2013	0.03%	0.03%	100.0%
2014	0.03%	0.03%	100.0%

NOTE 12: CONTINGENT LIABILITIES

Federal and State Programs

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency.

These programs are governed by various statutory rules and regulations of grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required.

As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2014

NOTE 12: CONTINGENT LIABILITIES (Continued)

Litigation

One lawsuit is pending against the City. Although the outcome of this lawsuit is not presently determinable, it is the opinion of City management and legal counsel that the potential loss on all claims will be covered by the City's insurance policy or will not have a material adverse effect on the financial condition of the City.

NOTE 13: CONTRACTS AND COMMITMENTS

A. Water and Wastewater Contracts

The City has separate contracts with the City of Fort Worth, Texas for the purchase of treated water and for the treatment of wastewater, which expire in 2031 and 2017, respectively. The contracts require the City to pay varying amounts based on the costs associated with water purchased and treated. Payments during 2014 for the purchase of treated water were \$1,268,844 and payments made for the treatment of wastewater by the City of Fort Worth were \$1,017,424.

B. Economic Development Agreements

In January 2014, the Economic Development Corporation agreed to assist in the construction of a hotel for an amount not to exceed \$275,000. The payment was not made during the year because the hotel was not complete.

NOTE 14: WATER AND ADVENTURE PARK LEASE

During 2014, the Economic Development Corporation issued \$12,600,000 sales tax revenue bonds to construct a Hawaiian Falls Water and Adventure Park. The EDC leases the Park to Hawaiian Parks – White Settlement, LLC for an initial term of forty years. The lease may be extended for four additional five year periods. Lease payments will equal debt service payments over the initial term of the lease. The capital assets have a cost of \$12,503,362, accumulated depreciation of \$174,281, and carrying costs of \$12,332,081.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2014

NOTE 14: WATER AND ADVENTURE PARK LEASE (Continued)

Minimum guaranteed income on all City non-cancelable operating leases is as follows:

<u>Year Ending</u> <u>September 30,</u>	
2015	\$ 700,000
2016	900,000
2017	900,000
2018	1,000,000
2019	1,300,000
2020 - 2024	5,434,663
2025 - 2029	5,138,262
2030 - 2034	5,144,117
	<u>\$ 20,517,042</u>

NOTE 15: SUBSEQUENT EVENTS

The first lease payment for the Hawaiian Falls Water and Adventure Park of \$500,000 was due October 1, 2014. A partial payment in the amount of \$125,000 was made on December 18, 2014.

Subsequent events were evaluated through February 24, 2015, which is the date the financial statements were available to be issued.

NOTE 16: FUTURE ACCOUNTING PRONOUNCEMENTS

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement is to improve the accounting and financial reporting by state and local governments for pensions. This Statement will require government-wide and proprietary fund statements to recognize a liability equal to the net pension liability and that changes in the net pension liability be included in pension expense in the period of the change. The Statement is effective for fiscal years beginning after June 15, 2014. The City has not yet determined the effect this Statement will have on its financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68*. This Statement addresses issues related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement will be implemented with GASB Statement No. 68, effective for the fiscal year ending September 30, 2015.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

Exhibit E-1

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
General Property Taxes				
Current property taxes	\$ 3,000,000	\$ 3,000,000	\$ 3,028,943	\$ 28,943
Miscellaneous property tax revenue	85,000	85,000	3,475	(81,525)
Delinquent tax collections	45,000	45,000	25,682	(19,318)
Taxes - penalties and interest	25,000	25,000	53,633	28,633
Total general property taxes	3,155,000	3,155,000	3,111,733	(43,267)
Sales and Use Taxes				
General sales tax	2,400,000	2,400,000	2,658,233	258,233
Mixed beverage tax	1,000	1,000	1,979	979
Bingo tax	40,000	40,000	35,577	(4,423)
Total sales and use taxes	2,441,000	2,441,000	2,695,789	254,789
Franchise Tax				
Telephone franchise fees	100,000	100,000	69,438	(30,562)
Electric franchise fees	500,000	500,000	496,181	(3,819)
Cable TV franchise fees	75,000	75,000	119,830	44,830
Gas franchise fees	80,000	80,000	117,545	37,545
Refuse franchise fees	165,000	165,000	159,479	(5,521)
Total franchise tax	920,000	920,000	962,473	42,473
Fines and Fees				
Municipal court fees	350,000	350,000	347,625	(2,375)
Deferred disposition fee	35,000	35,000	45,240	10,240
Court administrative fee	7,500	7,500	9,810	2,310
Extension fee - City	8,000	8,000	9,721	1,721
Warrant fees	70,000	70,000	79,146	9,146
ACO fees	2,500	2,500	1,807	(693)
Code compliance fine	6,500	6,500	5,513	(987)
Total fines and fees	479,500	479,500	498,862	19,362
Licenses and Permits				
Building permits	50,000	50,000	162,258	112,258
Mechanical permits	12,000	12,000	12,085	85
Appeal/variance permits	750	750	2,905	2,155
Plumbing permits	18,000	18,000	19,793	1,793
Electrical permits	50,000	50,000	50,255	255
Alarm permits	7,500	7,500	7,380	(120)
Sign permits	3,500	3,500	4,410	910
Garage sale permits	5,000	5,000	7,200	2,200
Curb and gutter permits	250	250	60	(190)
Gas and oil permits	-	-	76,300	76,300
Miscellaneous permits	-	-	440	440

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES (Continued)				
Licenses and Permits (Continued)				
Demolition fees	\$ 1,500	\$ 1,500	\$ 700	\$ (800)
Occupancy permits	35,000	35,000	50,425	15,425
Fence permits	4,000	4,000	3,315	(685)
Other license	-	-	260	260
Contractor registration fee	20,000	20,000	23,660	3,660
Fire inspections	10,000	10,000	15,163	5,163
Recreational license	5,000	5,000	1,500	(3,500)
Recreational machine permits	5,000	5,000	5,155	155
Platting fees	-	-	1,110	1,110
False Alarm Fine	2,500	2,500	2,030	(470)
Total licenses and permits	230,000	230,000	446,404	216,404
Intergovernmental	67,500	67,500	99,419	31,919
Charges for Services				
Copying Fee	150	150	103	(47)
Returned check fee	125	125	100	(25)
Building rental - cultural center	3,000	3,000	1,925	(1,075)
Building rental - recreation	35,000	35,000	12,295	(22,705)
Supervised recreation	60,000	60,000	50,453	(9,547)
Mowing fees	12,000	12,000	7,072	(4,928)
Gas well inspector fees	-	-	1,000	1,000
Animal shelter fees	-	250	-	(250)
Animal control fees	25,000	25,000	16,960	(8,040)
Library revenue	12,500	12,500	14,898	2,398
Library processing	150	150	255	105
Reimburse lost/damaged books	800	800	307	(493)
Fingerprinting fees	100	100	370	270
Police report fees	1,000	1,000	591	(409)
Wrecker service fees	2,000	2,000	3,060	1,060
Fleet cost shares	-	-	51,493	51,493
Total charges for services	151,825	152,075	160,882	8,807
Oil and Gas Royalties	100,000	100,000	178,041	78,041
Investment Earnings	22,000	22,000	15,940	(6,060)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES (Continued)				
Other Revenue				
Pay phone income	\$ 1,000	\$ 1,000	\$ 656	\$ (344)
Council filing fee	-	-	240	240
Mixed beverage annual inspection	-	-	1,920	1,920
Report fees - fire	-	-	25	25
Over/short	-	-	(46)	(46)
Interlocal radio support fee	5,000	5,000	5,000	-
Miscellaneous revenues	5,000	5,000	18,857	13,857
Total other revenue	11,000	11,000	26,652	15,652
 Total revenues	 7,577,825	 7,578,075	 8,196,195	 618,120
EXPENDITURES				
Current				
General Government:				
City Council				
Regular salaries	-	300	240	60
Part-time temporary salaries	10,800	10,500	7,056	3,444
FICA	872	872	558	314
Workers' compensation	32	32	26	6
Unemployment insurance	399	399	113	286
Office supplies	5,500	5,500	2,190	3,310
Postage and freight	100	100	11	89
Legal costs	30,000	30,000	28,000	2,000
Audit services	25,000	25,000	22,750	2,250
Copy rental/lease	1,000	1,000	-	1,000
Professional services	-	37,200	48,789	(11,589)
Communications	2,750	2,750	2,350	400
Insurance	25,000	25,000	23,327	1,673
Dues/subscriptions/memberships	19,500	16,850	8,710	8,140
Marketing and promotional services	1,500	1,500	1,476	24
Travel and training	10,000	10,000	9,398	602
Miscellaneous materials and supplies	1,000	1,000	8	992
Plaques, awards and recognition	-	450	395	55
Hawaiian Falls escrow - 75% of sales tax	-	-	10,239	(10,239)
Contribution to EDC	-	-	1,031,393	(1,031,393)
Grant match	5,000	5,000	-	5,000
City council reserve	168,349	126,349	-	126,349
Total City council	306,802	299,802	1,197,029	(897,227)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Administration				
Regular salaries	\$ 136,500	\$ 140,500	\$ 140,016	\$ 484
Part-time temporary salaries	21,916	17,916	-	17,916
Longevity pay	260	260	260	-
FICA	12,742	12,742	9,405	3,337
TMRS	17,689	17,689	15,417	2,272
Workers' compensation	540	540	428	112
Unemployment insurance	522	522	207	315
Health insurance	5,340	5,340	5,333	7
Dental insurance	328	328	326	2
Life insurance	103	103	64	39
Vehicle allowance	4,800	4,800	4,800	-
Office supplies	1,500	1,500	242	1,258
Postage and freight	200	200	27	173
Copy rental/lease	2,200	2,200	1,581	619
Communications	1,200	1,700	1,507	193
Dues/subscriptions/memberships	200	200	200	-
Marketing and promotional services	1,000	1,000	-	1,000
Travel and training	1,000	1,000	-	1,000
Employee appreciation	11,000	9,500	1,911	7,589
Plaques, awards and recognition	2,500	2,500	1,953	547
City manager reserve	25,000	20,000	2,625	17,375
Other professional services	2,500	3,500	3,313	187
Total administration	249,040	244,040	189,615	54,425
City Secretary				
Regular salaries	52,962	53,212	53,164	48
Longevity pay	268	318	268	50
FICA	4,072	4,072	3,765	307
TMRS	5,653	5,703	5,678	25
Workers' compensation	172	172	136	36
Unemployment insurance	261	261	207	54
Health insurance	6,900	6,900	6,893	7
Dental insurance	328	328	326	2
Life insurance	103	103	98	5
Office supplies	1,500	400	334	66
Postage and freight	250	250	171	79
Copy rental/lease	2,200	2,200	1,581	619
Election services	35,000	29,870	782	29,088
Other professional services	8,000	8,650	8,571	79
Communications	-	100	31	69
Dues/subscriptions/memberships	450	450	30	420

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
City Secretary (Continued)				
Travel and training	\$ 2,500	\$ 2,630	\$ 2,624	\$ 6
Advertisement/notices	4,000	9,000	7,606	1,394
Total City secretary	124,619	124,619	92,265	32,354
Finance				
Regular salaries	233,243	235,643	235,582	61
Overtime	6,996	6,996	5,123	1,873
Certification pay	1,800	1,800	1,800	-
Longevity pay	509	509	508	1
FICA	18,739	18,739	18,171	568
TMRS	26,014	26,114	26,077	37
Workers' compensation	963	963	777	186
Unemployment insurance	1,305	1,305	829	476
Health insurance	22,920	20,370	18,875	1,495
Dental insurance	1,312	1,362	1,331	31
Life insurance	412	412	381	31
Vehicle allowance	2,400	2,400	2,400	-
Office supplies	4,000	5,800	5,535	265
Postage and freight	3,000	3,200	3,144	56
Copy rental/lease	1,600	1,600	1,321	279
Other professional services	40,000	38,000	33,811	4,189
Communications	600	750	724	26
Computer maintenance	18,000	18,000	13,226	4,774
Insurance	1,800	1,800	1,692	108
Dues/subscriptions/memberships	2,000	3,550	3,545	5
Travel and training	8,000	6,800	4,206	2,594
Advertisement/notices	2,000	1,500	723	777
Data processing equipment	-	-	-	-
Total finance	397,613	397,613	379,781	17,832
Human Resources				
Regular salaries	74,234	74,634	74,597	37
Overtime	545	545	62	483
Part-time/temporary salaries	27,227	26,327	26,281	46
Longevity pay	586	586	439	147
FICA	7,848	7,848	7,538	310
TMRS	9,421	9,921	9,863	58
Workers' compensation	332	332	268	64
Unemployment insurance	783	783	581	202
Health insurance	5,340	5,340	5,333	7
Dental insurance	328	328	326	2

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Human Resources (Continued)				
Life insurance	\$ 103.00	\$ 103.00	\$ 98.00	\$ 5.00
Office supplies	1,200	1,200	1,176	24
Education materials	4,000	4,000	1,421	2,579
Postage and freight	495	495	260	235
Legal services	6,000	6,000	990	5,010
Copier lease/rental	750	750	660	90
Other professional services	24,000	24,000	20,210	3,790
Communications	600	600	518	82
Insurance	2,400	2,400	2,193	207
Dues/subscriptions/memberships	300	300	260	40
Travel and training	1,325	1,325	678	647
Employee appreciation	500	500	-	500
Advertisement/notices	5,000	5,000	3,118	1,882
Total human resources	173,317	173,317	156,870	16,447
Management Information Services				
Regular salaries	103,184	104,684	104,583	101
Overtime	4,285	3,100	2,334	766
Longevity pay	529	554	529	25
FICA	8,629	8,629	8,015	614
TMRS	11,979	11,979	11,671	308
Workers' compensation	365	365	294	71
Unemployment insurance	522	522	414	108
Health insurance	12,240	12,240	12,225	15
Dental insurance	656	706	703	3
Life insurance	206	216	212	4
Vehicle allowance	4,800	4,800	2,400	2,400
Office supplies	3,000	3,000	2,897	103
Miscellaneous materials and supplies	1,000	1,000	-	1,000
Tools and equipment < \$5,000	500	500	-	500
Copier lease/rental	5,000	8,500	8,487	13
Other professional services	10,000	9,000	6,816	2,184
Communications	20,500	18,500	16,591	1,909
Equipment maintenance/repair	35,000	39,000	37,000	2,000
Dues/subscriptions/memberships	500	600	584	16
Travel and training	500	500	-	500
Total management information services	223,395	228,395	215,755	12,640

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Purchasing/Warehouse				
Regular salaries	\$ 67,357	\$ 67,357	\$ 68,929	\$ (1,572)
Overtime	337	337	-	337
Longevity pay	1,261	1,261	1,261	-
FICA	5,275	5,275	5,191	84
TMRS	7,323	7,323	7,456	(133)
Workers' compensation	3,689	3,689	2,975	714
Unemployment insurance	522	522	414	108
Health insurance	10,680	10,680	10,665	15
Dental insurance	656	656	653	3
Life insurance	206	206	196	10
Office supplies	2,500	2,300	1,399	901
Janitorial supplies	200	200	44	156
Building, electrical and plumbing supplies	500	500	451	49
Uniforms	500	450	306	144
Fuel and lubricants	2,400	2,500	2,458	42
Safety supplies and equipment	100	100	41	59
Tools and equipment < \$5,000	500	500	17	483
Inventory over/short	-	-	170	(170)
Obsolete/salvaged inventory	-	50	30	20
Pest control services	150	150	85	65
Copier lease/rental	600	700	632	68
Communications	2,100	2,100	1,968	132
Utilities	10,500	10,500	5,472	5,028
Vehicle/equipment non-target	1,900	1,900	330	1,570
Vehicle maintenance/repairs	19,000	19,000	18,645	355
Equipment maintenance/repairs	400	400	-	400
Building maintenance and repair	1,000	1,000	225	775
Insurance	4,100	4,100	2,706	1,394
Dues/subscriptions/memberships	1,000	1,000	870	130
Travel and training	4,000	4,000	2,352	1,648
Advertisement/notices	400	400	266	134
Employee testing/physicals	100	100	80	20
First aid and medical supplies	250	250	243	7
Total purchasing/warehouse	149,506	149,506	136,530	12,976
Municipal Facilities				
Regular salaries	73,163	73,163	76,936	(3,773)
Overtime	891	891	121	770
Longevity pay	1,055	1,055	1,055	-
FICA	5,746	5,746	5,664	82
TMRS	7,977	7,977	8,300	(323)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Municipal Facilities (Continued)				
Workers' compensation	\$ 2,688	\$ 2,688	\$ 2,168	\$ 520
Unemployment insurance	522	622	621	1
Health insurance	12,240	12,240	12,225	15
Dental insurance	656	656	653	3
Life insurance	206	206	196	10
Office supplies	1,200	2,000	1,914	86
Janitorial supplies	1,000	1,050	1,001	49
Building, electrical and plumbing supplies	1,000	1,010	320	690
Batteries	-	2	2	-
Miscellaneous materials and supplies	1,000	1,000	54	946
Uniforms	500	500	469	31
Fuel and lubricants	2,600	2,600	2,259	341
Safety supplies and equipment	250	250	28	222
Tools and equipment < \$5,000	1,000	1,000	511	489
First aid and medical supplies	500	500	292	208
Janitorial services	12,000	12,000	9,855	2,145
Pest control services	800	800	367	433
Other professional services	3,000	3,000	1,283	1,717
Communications	1,000	1,050	1,039	11
Utilities	28,000	27,288	25,010	2,278
Vehicle/equipment non-target	620	620	254	366
Vehicle maintenance/repairs	6,200	6,200	6,022	178
Equipment maintenance/repairs	500	1,000	590	410
Building maintenance and repair	25,000	24,200	12,691	11,509
Rental equipment and building	500	500	-	500
Insurance	1,100	1,100	802	298
Travel and training	250	250	-	250
Employee testing/physicals	150	150	-	150
Total municipal facilities	193,314	193,314	172,702	20,612
Total general government	1,817,606	1,810,606	2,540,547	(729,941)
Public Safety:				
Police Administration				
Regular salaries	1,049,126	1,048,763	1,053,987	(5,224)
Overtime	14,314	14,314	13,842	472
Certification pay	15,900	15,900	16,675	(775)
Longevity pay	11,343	11,706	12,012	(306)
FICA	83,437	83,437	79,918	3,519
TMRS	115,831	115,831	115,598	233
Workers' compensation	17,529	17,529	14,135	3,394

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Police Administration (Continued)				
Unemployment insurance	\$ 5,742	\$ 5,742	\$ 4,761	\$ 981
Health insurance	126,840	126,840	120,987	5,853
Dental insurance	7,216	7,216	7,643	(427)
Life insurance	2,266	2,266	2,273	(7)
Office supplies	10,100	9,800	9,118	682
Shop and lab supplies	2,920	2,820	2,467	353
Photo and duplication supplies	1,540	1,540	1,301	239
Janitorial supplies	1,428	1,428	1,351	77
Building, electrical and plumbing supplies	1,788	2,892	2,436	456
Batteries	303	203	138	65
Miscellaneous materials and supplies	8,800	8,800	8,418	382
Uniforms	2,550	2,750	2,717	33
Postage and freight	1,200	1,450	1,230	220
Fuel and lubricants	13,000	12,198	9,847	2,351
Safety supplies and equipment	590	590	549	41
Tools and equipment < \$5,000	2,616	2,616	2,554	62
First aid and medical supplies	2,200	1,648	1,423	225
Janitorial services	16,000	16,000	13,661	2,339
Pest control services	720	720	313	407
Copier lease/rental	6,700	6,700	5,904	796
Other professional services	3,000	2,220	1,991	229
Communications	7,800	8,880	8,874	6
Utilities	36,000	35,410	32,461	2,949
Vehicle/equipment non-target	2,450	1,860	280	1,580
Vehicle maintenance/repairs	24,500	24,500	23,931	569
Equipment maintenance/repairs	3,920	4,151	3,540	611
Building maintenance and repair	5,150	5,950	5,767	183
Insurance	27,500	29,270	29,267	3
Dues/subscriptions/memberships	1,475	1,375	1,019	356
Employee appreciation	1,000	1,000	937	63
Employee testing/physicals	2,000	479	165	314
Total police administration	1,636,794	1,636,794	1,613,490	23,304
Police Patrol/CID				
Regular salaries	1,502,132	1,502,132	1,517,306	(15,174)
Overtime	31,422	31,422	30,604	818
Part-time temporary salaries	19,384	19,384	15,582	3,802
Certification pay	30,900	30,900	33,900	(3,000)
Longevity pay	12,033	12,033	10,983	1,050
FICA	122,084	122,084	120,461	1,623
TMRS	167,423	167,423	171,179	(3,756)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

Exhibit E-1 (Continued)

General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Police Patrol/CID (Continued)				
Workers' compensation	\$ 44,043	\$ 44,043	\$ 35,515	\$ 8,528
Unemployment insurance	7,464	7,464	5,645	1,819
Health insurance	156,660	156,660	155,519	1,141
Dental insurance	8,528	8,528	7,999	529
Life insurance	2,678	2,678	2,398	280
Office supplies	3,000	3,000	2,473	527
Building, electrical and plumbing supplies	1,000	1,000	21	979
Batteries	1,500	1,500	952	548
Miscellaneous materials and supplies	1,500	1,500	1,274	226
Uniforms	5,000	5,000	1,911	3,089
Fuel and lubricants	78,000	80,600	80,542	58
Safety supplies and equipment	500	500	128	372
Tools and equipment < \$5,000	5,000	2,400	1,833	567
First aid and medical supplies	1,600	1,600	699	901
Other professional services	500	800	789	11
Communications	1,000	1,000	800	200
Vehicle/equipment non-target	5,360	4,500	2,170	2,330
Vehicle maintenance/repairs	53,600	53,600	52,688	912
Equipment maintenance/repairs	3,500	3,500	88	3,412
Insurance	10,500	10,500	10,202	298
Dues/subscriptions/memberships	1,500	2,060	1,980	80
Employee testing/physicals	1,600	1,600	1,300	300
Total police patrol/CID	2,279,411	2,279,411	2,266,941	12,470
Municipal Court				
Regular salaries	135,684	135,684	137,473	(1,789)
Overtime	5,101	5,101	10,354	(5,253)
Certification pay	2,100	2,100	2,500	(400)
Longevity pay	940	940	940	-
FICA	11,003	11,003	11,313	(310)
TMRS	15,274	15,274	16,073	(799)
Workers' compensation	1,935	1,935	1,560	375
Unemployment insurance	783	783	621	162
Health insurance	16,020	16,020	15,998	22
Dental insurance	884	884	979	(95)
Life insurance	309	309	293	16
Office supplies	5,000	4,947	3,261	1,686
Miscellaneous materials and supplies	500	500	196	304
Uniforms	1,000	1,000	194	806
Postage and freight	2,500	2,500	1,924	576
Fuel and lubricants	2,500	2,500	1,586	914

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Municipal Court (Continued)				
Legal services	\$ 48,000	\$ 48,000	\$ 45,216	\$ 2,784
Copier lease/rental	200	253	220	33
Other professional services	1,500	1,500	1,475	25
Communications	1,200	1,200	956	244
Computer maintenance	2,500	3,152	3,152	(0)
Vehicle/equipment non-target	300	300	5	295
Vehicle maintenance/repairs	3,000	3,000	2,930	70
Dues/subscriptions/memberships	1,500	1,500	226	1,274
Travel and training	4,500	3,848	2,208	1,640
Employee testing/physicals	100	100	80	20
Total municipal court	264,333	264,333	261,733	2,600
Fire Department				
Regular salaries	39,636	39,636	45,264	(5,628)
Part-time temporary salaries	144,374	144,374	137,573	6,801
Certification pay	8,365	8,365	8,365	-
Longevity pay	-	25	25	-
FICA	14,717	14,717	14,629	88
TMRS	5,098	5,098	5,329	(231)
Workers' compensation	2,852	2,852	2,300	552
Unemployment insurance	4,698	4,698	2,307	2,391
Health insurance	5,340	5,340	5,333	7
Dental insurance	328	328	326	2
Life insurance	103	103	98	5
Volunteer injury insurance	5,675	6,700	6,698	2
Volunteer worker's compensation	7,100	6,075	5,725	350
Volunteer fire retirement	4,800	4,800	4,800	-
Office supplies	1,600	2,575	2,483	92
Janitorial supplies	600	800	667	133
Building, electrical and plumbing supplies	450	450	261	189
Batteries	300	275	187	88
Miscellaneous materials and supplies	2,500	2,700	2,597	103
Uniforms	7,000	7,000	6,875	125
Postage and freight	100	100	37	63
Fuel and lubricants	15,000	18,000	17,412	588
Safety supplies and equipment	19,850	19,850	19,316	534
Tools and equipment < \$5,000	3,800	3,800	3,782	18
Chemicals	250	275	265	10
EMO Supplies	1,200	1,000	290	710
First aid and medical supplies	4,000	3,800	2,849	951
Janitorial services	1,000	250	200	50

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Fire Department (Continued)				
Pest control services	\$ 250	\$ 250	\$ 176	\$ 74
Other professional services	500	830	821	9
Hazmat clean-up	3,000	200	-	200
Communications	900	1,200	1,176	24
Utilities	17,000	17,000	17,392	(392)
Vehicle/equipment non-target	3,570	2,720	360	2,360
Vehicle maintenance/repairs	35,700	35,700	35,092	608
Equipment maintenance/repairs	12,300	12,000	11,283	717
Building maintenance and repair	3,000	4,900	4,851	49
Insurance	11,200	11,400	11,321	79
Dues/subscriptions/memberships	1,885	1,055	980	75
Marketing and promotional services	3,000	3,000	2,430	570
Travel and training	6,500	5,500	5,168	332
VFD utility service	25,000	22,000	20,494	1,506
Employee testing/physicals	500	500	445	55
Firefighter incentive program	160,000	162,800	162,525	275
Total fire department	585,041	585,041	570,507	14,534
Code Compliance				
Regular salaries	251,482	251,482	255,742	(4,260)
Overtime	4,308	4,308	761	3,547
Part-time/temporary salaries	-	-	195	(195)
Certification pay	2,700	2,700	2,025	675
Longevity pay	881	906	906	-
FICA	19,842	19,842	19,149	693
TMRS	27,545	27,520	27,565	(45)
Workers' compensation	1,509	1,509	1,217	292
Unemployment insurance	1,827	1,827	1,412	415
Health insurance	29,820	29,820	25,599	4,221
Dental insurance	1,968	1,968	1,939	29
Life insurance	618	618	522	96
Office supplies	3,800	3,739	3,621	118
Photo and duplication supplies	1,500	3,361	3,279	82
Uniforms	1,000	1,000	659	341
Postage and freight	3,000	3,000	2,631	369
Fuel and lubricants	4,200	4,200	3,267	933
Tools and equipment < \$5,000	500	500	39	461
Legal services	2,000	2,000	-	2,000
Copier lease/rental	2,500	2,500	2,320	180
Other professional services	5,000	8,000	10	7,990
Demolitions and lot clearing	50,000	45,200	28,609	16,591

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

Exhibit E-1 (Continued)

General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Code Compliance (Continued)				
Communications	\$ 2,800	\$ 2,850	\$ 2,812	\$ 38
Computer maintenance	3,500	3,500	3,322	178
Vehicle/equipment non-target	900	900	195	705
Vehicle maintenance/repairs	9,000	9,000	8,757	243
Equipment maintenance/repairs	250	250	-	250
Insurance	1,450	1,450	1,404	46
Dues/subscriptions/memberships	500	550	541	9
Travel and training	3,500	3,400	2,851	549
Advertisement/notices	5,000	5,000	4,964	36
Employee testing/physicals	200	200	170	30
Total code compliance	443,100	443,100	406,483	36,617
Total public safety	5,208,679	5,208,679	5,119,154	89,525
Public Works:				
Streets and Drainage				
Regular salaries	193,746	193,746	180,984	12,762
Overtime	9,184	9,184	5,510	3,674
Part-time/temporary salaries	24,038	24,038	9,889	14,149
Certification pay	2,700	2,700	1,050	1,650
Longevity pay	1,290	1,290	1,290	-
FICA	17,668	17,668	15,043	2,625
TMRS	21,975	21,975	20,059	1,916
Workers' compensation	17,710	17,710	14,281	3,429
Unemployment insurance	2,088	2,088	1,414	674
Health insurance	32,040	32,040	30,219	1,821
Dental insurance	1,968	1,968	1,850	118
Life insurance	818	818	554	264
Office supplies	350	300	60	240
Janitorial supplies	200	200	114	86
Building, electrical and plumbing supplies	200	200	140	60
Batteries	250	250	197	53
Miscellaneous materials and supplies	300	300	291	9
Uniforms	2,500	3,000	2,822	178
Fuel and lubricants	19,500	19,500	17,467	2,033
Safety supplies and equipment	3,000	3,000	1,527	1,473
Tools and equipment < \$5,000	4,000	4,000	3,603	397
Chemicals	1,600	3,600	3,575	25
Parts for equipment	1,500	1,500	128	1,372
Street maintenance	70,000	67,500	48,124	19,376
Street sign supplies	7,500	7,500	3,605	3,895

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Streets and Drainage (Continued)				
First aid and medical supplies	\$ 250	\$ 250	\$ 243	\$ 7
Sanitation services	10,000	10,000	7,000	3,000
Pest control service	100	100	85	15
Copier lease/rental	600	650	632	18
Street lights and signals	158,000	158,000	129,750	28,250
Other professional services	2,000	2,000	575	1,425
Communications	2,400	2,400	1,958	442
Utilities	2,000	2,000	1,798	202
Vehicle/equipment non-target	5,300	5,300	292	5,008
Vehicle maintenance/repairs	53,000	53,000	52,687	313
Equipment maintenance/repairs	1,000	1,000	-	1,000
Building maintenance and repair	1,000	1,000	-	1,000
Building and equipment rental	2,000	2,000	-	2,000
Insurance	12,000	12,000	7,992	4,008
Dues/subscriptions/memberships	250	250	172	78
Travel and training	1,440	1,440	972	468
Employee testing/physicals	1,000	1,000	845	155
Total streets and drainage	688,465	688,465	568,797	119,668
Total public works	688,465	688,465	568,797	119,668
Public Health:				
Animal Control				
Regular salaries	63,286	63,286	86,190	(22,904)
Overtime	3,797	3,797	3,845	(48)
Part-time temporary salaries	37,128	37,128	9,817	27,311
Certification pay	3,000	3,000	2,925	75
Longevity pay	423	423	340	83
FICA	8,234	8,234	7,854	380
TMRS	7,424	7,424	10,161	(2,737)
Workers' compensation	3,193	3,193	2,575	618
Unemployment insurance	1,044	1,044	698	346
Health insurance	10,680	10,680	13,336	(2,656)
Dental insurance	656	656	734	(78)
Life insurance	206	206	220	(14)
Office supplies	4,000	3,840	3,716	124
Janitorial supplies	4,000	3,569	2,321	1,248
Building, electrical and plumbing supplies	2,500	3,500	3,025	475
Miscellaneous materials and supplies	9,700	10,500	10,456	44
Uniforms	1,500	1,091	1,091	-
Postage and freight	150	250	234	16

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Animal Control (Continued)				
Fuel and lubricants	\$ 3,300	\$ 3,300	\$ 2,428	\$ 872
Safety supplies and equipment	500	700	624	76
Tools and equipment < \$5,000	5,600	6,100	6,086	14
Street sign supplies	200	300	236	64
First aid and medical supplies	6,000	2,539	1,263	1,276
Pest control service	300	300	215	85
Copier lease/rental	250	250	220	30
Other professional services	6,500	6,100	4,555	1,545
Communications	10,125	10,125	7,760	2,365
Utilities	20,600	20,300	20,972	(672)
Vehicle/equipment non-target	595	595	-	595
Vehicle maintenance/repairs	5,950	5,950	5,827	123
Equipment maintenance/repairs	800	800	105	695
Building maintenance and repair	4,000	6,761	6,760	1
Rental equipment and building	310	310	85	225
Insurance	2,100	2,400	2,382	18
Dues/subscriptions/memberships	150	150	50	100
Travel and training	1,200	1,200	973	227
Advertisements/notices	1,500	900	303	597
Employee testing/physicals	300	300	80	220
Total animal control	231,201	231,201	220,462	10,739
Total public health	231,201	231,201	220,462	10,739
Culture and Recreation:				
Senior Services				
Regular salaries	177,831	177,831	181,647	(3,816)
Overtime	546	546	-	546
Longevity pay	2,176	2,176	2,176	-
FICA	13,812	13,812	13,981	(169)
TMRS	19,175	19,175	19,486	(311)
Workers' compensation	1,871	1,871	1,509	362
Unemployment insurance	1,305	1,305	1,035	270
Health insurance	21,360	21,360	21,331	29
Dental insurance	1,640	1,640	1,632	8
Life insurance	515	515	328	187
Office supplies	1,300	1,300	1,249	51
Janitorial supplies	2,000	1,257	1,058	199
Building, electrical and plumbing supplies	900	150	75	75
Landscaping supplies	500	500	65	435
Miscellaneous materials and supplies	300	300	73	227

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Senior Services (Continued)				
Postage and freight	\$ 200	\$ 200	\$ 122	\$ 78
Fuel and lubricants	5,800	5,800	5,060	740
Safety supplies and equipment	75	75	-	75
Senior special supplies	-	20	(340)	360
First aid and medical supplies	250	1,000	981	19
Janitorial services	10,000	10,000	8,474	1,526
Pest control service	600	600	313	287
Copier lease/rental	1,500	1,500	1,164	336
Other professional services	2,600	2,600	-	2,600
Communications	600	600	548	52
Utilities	21,000	21,000	18,832	2,168
Computer maintenance	3,300	4,023	4,023	-
Vehicle/equipment non-target	600	600	234	366
Vehicle maintenance/repairs	6,000	6,000	5,827	173
Equipment maintenance/repairs	300	300	-	300
Building maintenance and repair	2,000	2,000	515	1,485
Insurance	4,400	4,400	4,089	311
Dues/subscriptions/memberships	105	105	15	90
Travel and training	1,580	1,430	1,155	275
Marketing and promotional services	700	700	596	104
Advertisement/notices	150	150	-	150
Employee testing/physicals	150	300	195	105
Total senior services	307,141	307,141	297,448	9,693
Parks Maintenance				
Regular salaries	166,115	166,115	145,784	20,331
Overtime	7,690	7,690	9,155	(1,465)
Longevity pay	1,815	1,815	1,711	104
FICA	13,619	13,619	11,586	2,033
TMRS	18,906	18,906	16,900	2,006
Workers' compensation	5,396	5,396	4,351	1,045
Unemployment insurance	1,044	1,044	625	419
Health insurance	26,040	26,040	19,118	6,922
Dental insurance	1,312	1,312	979	333
Life insurance	412	412	291	121
Vehicle allowance	2,400	2,400	2,400	-
Office supplies	500	400	242	158
Janitorial supplies	1,000	1,000	991	9
Building, electrical and plumbing supplies	300	100	-	100
Landscaping supplies	3,300	2,020	1,865	155
Miscellaneous materials and supplies	1,600	720	564	156

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Parks Maintenance (Continued)				
Uniforms	\$ 1,000	\$ 1,000	\$ 979	\$ 21
Fuel and lubricants	6,300	7,200	7,135	65
Safety supplies and equipment	500	400	249	151
Tools and equipment < \$5,000	5,500	6,100	6,071	29
Chemicals	500	1,660	1,659	1
Parts for equipment	1,300	1,300	1,177	123
First aid and medical supplies	250	50	-	50
Pest control service	650	650	-	650
Copier lease/rental	700	700	614	86
Other professional services	35,000	31,000	27,462	3,538
Communications	1,200	5,400	5,309	91
Utilities	1,000	1,500	1,381	119
Vehicle/equipment non-target	2,800	1,300	383	917
Vehicle maintenance/repairs	28,000	27,500	26,661	839
Equipment maintenance/repairs	1,000	1,000	715	285
Building maintenance and repair	-	100	85	15
Building and equipment rental	7,500	7,500	7,125	375
Insurance	3,900	5,100	4,899	201
Dues/subscriptions/memberships	350	350	341	9
Travel and training	1,250	1,250	604	646
Employee testing/physicals	200	300	230	70
Total parks maintenance	350,349	350,349	309,641	40,708
Recreation				
Regular salaries	75,755	75,755	73,244	2,511
Overtime	4,545	4,545	8,593	(4,048)
Part-time temporary salaries	34,657	34,657	28,518	6,139
Longevity pay	168	168	71	97
FICA	8,807	8,807	8,294	513
TMRS	8,535	8,535	8,638	(103)
Workers' compensation	3,490	3,490	2,814	676
Unemployment insurance	1,044	1,044	774	270
Health insurance	10,680	10,680	10,665	15
Dental insurance	656	656	653	3
Life insurance	206	206	196	10
Office supplies	2,000	1,850	1,812	38
Janitorial supplies	1,000	840	837	3
Building, electrical and plumbing supplies	2,000	622	621	1
Miscellaneous materials and supplies	20,000	13,586	13,553	33
Uniforms	750	650	643	7

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Recreation (Continued)				
Postage and freight	\$ 300	\$ 100	\$ 81	\$ 19
Safety supplies	100	-	-	-
Tools and equipment < \$5,000	3,000	-	-	-
Street sign supplies	200	-	-	-
First aid and medical supplies	500	100	95	5
Pest control service	300	300	215	85
Copier lease/rental	900	900	881	19
Other professional services	2,500	2,050	2,048	2
Program instructors	28,000	38,345	38,335	10
Communications	-	100	93	7
Utilities	20,000	18,793	20,582	(1,789)
Computer maintenance	1,000	1,905	1,905	-
Equipment maintenance/repairs	180	-	-	-
Building maintenance and repair	16,000	19,939	19,938	1
Rental equipment and building	400	432	432	-
Insurance	1,800	1,800	1,633	167
Dues/subscriptions/memberships	300	200	200	-
Marketing & promotional service	1,000	1,018	1,012	6
Travel and training	825	225	204	21
Advertisement/notices	800	200	175	25
Employee testing/physicals	500	400	335	65
Total recreation	252,898	252,898	248,090	4,808
Library				
Regular salaries	177,919	177,919	193,654	(15,735)
Overtime	1,084	1,084	96	988
Part-time temporary salaries	83,630	83,630	50,407	33,223
Longevity pay	1,820	1,820	1,807	13
FICA	20,231	20,231	18,593	1,638
TMRS	20,670	20,670	21,340	(670)
Workers' compensation	838	838	676	162
Unemployment insurance	2,610	2,610	1,840	770
Health insurance	22,920	22,920	20,388	2,532
Dental insurance	1,312	1,312	1,251	61
Life insurance	412	412	375	37
Office supplies	7,300	6,900	5,516	1,384
Janitorial supplies	750	750	555	195
Landscaping supplies	500	500	15	485
Miscellaneous materials and supplies	4,750	5,150	5,094	56
Uniforms	300	300	-	300
Postage and freight	2,000	2,000	1,585	415

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Library (Continued)				
Computer parts and software	\$ 4,000	\$ 4,000	\$ 2,222	\$ 1,778
Books	27,560	27,560	27,544	16
First aid and medical supplies	150	150	-	150
Janitorial services	12,000	12,000	11,686	314
Copier lease/rental	6,700	6,700	6,110	590
Other professional services	200	200	-	200
Other leases/books	8,040	8,300	8,300	-
Communications	2,000	2,000	1,382	618
Utilities	15,000	15,000	15,020	(20)
Equipment maintenance/repairs	3,600	4,060	4,060	-
Building maintenance and repair	-	96	95	1
Insurance	2,700	2,700	2,403	297
Dues/subscriptions/memberships	7,600	7,600	5,568	2,032
Marketing and promotional services	5,890	5,890	4,343	1,547
Travel and training	3,100	2,284	569	1,715
Employee testing/physicals	400	400	170	230
Total library	447,986	447,986	412,664	35,322
Pride Commission				
Landscaping supplies	2,080	2,080	2,000	80
Dues/subscriptions/memberships	120	120	112	8
Marketing & promotional services	5,300	5,300	4,758	542
Total Pride Commission	7,500	7,500	6,870	630
Total culture and recreation	1,365,874	1,365,874	1,274,713	91,161
Total expenditures	9,311,825	9,304,825	9,723,673	(418,848)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,734,000)	(1,726,750)	(1,527,478)	199,272
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance refunds/claims	-	-	3,234	3,234
Proceeds from sale of general capital assets	-	-	54,999	54,999

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES) (Continued)				
Transfers in:				
Administrative cost share water/sewer fund	\$ 562,800	\$ 562,800	\$ 562,800	\$ -
Administrative cost share crime district fund	60,000	60,000	63,024	3,024
Administrative cost share refuse	40,200	40,200	40,200	-
Administrative cost share customer service	67,000	67,000	67,000	-
Economic development corporation	280,000	280,000	-	(280,000)
Crime district	767,000	767,000	767,000	-
Total transfers in	<u>1,777,000</u>	<u>1,777,000</u>	<u>1,500,024</u>	<u>(276,976)</u>
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total other financing sources (uses)	<u>1,727,000</u>	<u>1,727,000</u>	<u>1,558,257</u>	<u>(168,743)</u>
NET CHANGE IN FUND BALANCES	(7,000)	250	30,779	30,529
FUND BALANCE, OCTOBER 1, 2013	<u>10,899,922</u>	<u>10,899,922</u>	<u>10,899,922</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2014	<u><u>\$ 10,892,922</u></u>	<u><u>\$ 10,900,172</u></u>	<u><u>\$ 10,930,701</u></u>	<u><u>\$ 30,529</u></u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS

Exhibit E-2

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

Crime District Fund

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Sales and use taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,283,903	\$ 83,903
Investment earnings	850	850	913	63
Total revenues	1,200,850	1,200,850	1,284,816	83,966
EXPENDITURES				
Current				
Public Safety				
Miscellaneous materials and supplies	700	1,600	1,505	95
Education materials	6,000	6,000	2,866	3,134
Ammunition	13,050	12,850	9,114	3,736
Uniforms	19,200	19,200	18,799	401
Tools and equipment < \$5,000	19,340	18,640	9,468	9,172
First aid and medical supplies	2,125	2,125	519	1,606
Other professional services	17,100	13,545	8,587	4,958
Communications	13,000	13,000	10,468	2,532
Equipment maintenance/repair	89,516	86,416	79,958	6,458
Insurance	-	140	140	-
Dues/subscriptions/memberships	1,230	1,230	1,225	5
Travel and training	32,000	32,000	22,507	9,493
Advertisement/notices	-	125	125	-
Contribute to other agencies	18,300	18,300	18,300	-
Data processing equipment	17,900	17,900	17,045	855
Motor vehicles	110,300	105,980	105,864	116
Building improvements	19,000	27,305	27,207	98
Furniture and fixtures	22,000	16,985	15,848	1,137
Other equipment	-	4,320	4,320	-
Total public safety	400,761	397,661	353,865	43,796
Total expenditures	400,761	397,661	353,865	43,796
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	800,089	803,189	930,951	127,762
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Administrative cost share to general fund	(60,000)	(63,100)	(63,024)	76
Transfer to general fund	(767,000)	(767,000)	(767,000)	-
Total transfers out	(827,000)	(830,100)	(830,024)	76
Total other financing sources (uses)	(827,000)	(830,100)	(830,024)	76
NET CHANGE IN FUND BALANCES	(26,911)	(26,911)	100,927	127,838
FUND BALANCE, OCTOBER 1, 2013	720,529	720,529	720,529	-
FUND BALANCE, SEPTEMBER 30, 2014	\$ 693,618	\$ 693,618	\$ 821,456	\$ 127,838

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Texas Municipal Retirement System
Schedule of Funding Progress

Exhibit E-3

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (ALL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2011	16,630,678	19,257,566	86.4%	2,626,888	4,786,697	54.9%
12/31/2012	17,783,620	20,277,668	87.7%	2,494,048	5,159,436	48.3%
12/31/2013	19,159,451	23,009,625	83.3%	3,850,174	5,437,734	70.8%

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Required Supplementary Information
September 30, 2014

1. Summary of Significant Accounting Policies

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, Crime Control and Prevention District, Occupancy Tax Fund, Debt Service Fund, and Street Improvement Fund. The capital projects fund adopts project-length budgets. All annual appropriations lapse at fiscal year end.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the City Manager submits to the City Council proposed operating budgets for the fiscal year commencing the following October 1. The operating budgets include proposed expenditures and the means of financing them for the general and certain special revenue and debt service funds.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized by the City Council to make adjustments to budgeted amounts between departments within an operating fund or line items within an operating department in amounts not to exceed \$5,000. However, any budget adjustments that exceed \$5,000 in a line item or that result in total expenditures for an operating fund exceeding the legally adopted expenditure appropriation for that fund must first be approved by the City Council after a public hearing conducted in compliance with the Texas Open Meetings Act.
5. Budgetary control is maintained at the line item level, subject to adjustments permitted as described above.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. All encumbrances lapse at the fiscal year-end.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Required Supplementary Information
September 30, 2014

C. Excess of Expenditures Over Appropriations

The expenditures of the general fund were greater than appropriations by \$418,848.

The following line items exceeded their budget for the year by greater than \$5,000 (the legal level of budgetary control.)

<u>Department</u>	<u>Line Item</u>	<u>Amount</u>
General Fund		
City Council	Professional services	\$ 11,589
City Council	Hawaiian Falls escrow - 75% of sales tax	10,239
City Council	Contributions/Donations	1,031,393
Police Administration	Regular salaries	5,224
Police Patrol/CID	Regular salaries	15,174
Municipal Court	Overtime	5,253
Fire Department	Regular salaries	5,628
Animal Control	Regular salaries	22,904
Library	Regular salaries	15,735

The City Council over budget amount for contributions/donations was due to a grant provided to the Economic Development Corporation for a bond reserve.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF WHITE SETTLEMENT, TEXAS

Nonmajor Governmental Funds

Combining Balance Sheet

September 30, 2014

	Special Revenue Funds			
	Occupancy Tax	Friends of Library	Other Special Revenue	Total Special Revenue
Assets:				
Cash and investments	\$ 485,294	\$ 25,767	\$ 129,017	\$ 640,078
Receivables (Net of allowances for uncollectibles)				
Franchise taxes	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous	54,716	-	-	54,716
Total assets	\$ 540,010	\$ 25,767	\$ 129,017	\$ 694,794
Liabilities, deferred inflows and fund balance:				
Liabilities:				
Accounts payable	\$ 203	\$ 1,667	\$ (1,662)	\$ 208
Total liabilities	203	1,667	(1,662)	208
Deferred inflows:				
Deferred property tax	-	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	539,807	24,100	130,679	694,586
Committed	-	-	-	-
Total fund balances	539,807	24,100	130,679	694,586
Total liabilities, deferred inflows and fund balances	\$ 540,010	\$ 25,767	\$ 129,017	\$ 694,794

Capital Projects Fund	Permanent Funds				Total Nonmajor Funds
	Debt Service Fund	Library Endowment	Senior Services Endowment	Total Permanent	
Street Improvement					
\$1,087,718	\$ 604,034	\$ 33,085	\$ 28,193	\$ 61,278	\$2,393,108
16,185	-	-	-	-	16,185
-	40,933	-	-	-	40,933
-	-	-	-	-	54,716
<u>\$1,103,903</u>	<u>\$ 644,967</u>	<u>\$ 33,085</u>	<u>\$ 28,193</u>	<u>\$ 61,278</u>	<u>\$2,504,942</u>
\$ 3,636	\$ 143	\$ -	\$ -	\$ -	\$ 3,987
<u>3,636</u>	<u>143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,987</u>
-	40,933	-	-	-	40,933
-	-	12,105	11,105	23,210	23,210
-	603,891	20,980	17,088	38,068	1,336,545
<u>1,100,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100,267</u>
<u>1,100,267</u>	<u>603,891</u>	<u>33,085</u>	<u>28,193</u>	<u>61,278</u>	<u>2,460,022</u>
<u>\$1,103,903</u>	<u>\$ 644,967</u>	<u>\$ 33,085</u>	<u>\$ 28,193</u>	<u>\$ 61,278</u>	<u>\$2,504,942</u>

CITY OF WHITE SETTLEMENT, TEXAS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended September 30, 2014

	Special Revenue Funds			
	Occupancy Tax	Friends of Library	Other Special Revenue	Total Special Revenue
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	-	-	-
Hotel occupancy tax	206,043	-	-	206,043
Intergovernmental	-	-	33,809	33,809
Investment earnings	821	45	183	1,049
Other	-	2,170	24,104	26,274
Total revenue	206,864	2,215	58,096	267,175
Expenditures:				
Current:				
Public Safety	-	-	44,701	44,701
Public Works	-	-	-	-
Culture and recreation	74,552	712	-	75,264
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	74,552	712	44,701	119,965
Net change in fund balances	132,312	1,503	13,395	147,210
Fund Balance, October 1, 2013	407,495	22,597	117,284	547,376
Fund Balance, September 30, 2014	\$ 539,807	\$ 24,100	\$ 130,679	\$ 694,586

Capital Projects Fund	Debt Service Fund	Permanent Funds			Total Nonmajor Funds
		Library Endowment	Senior Services Endowment	Total Permanent	
\$ -	\$ 785,848	\$ -	\$ -	\$ -	\$ 785,848
280,643	-	-	-	-	280,643
-	-	-	-	-	206,043
-	-	-	-	-	33,809
1,741	1,120	11	10	21	3,931
-	-	-	-	-	26,274
<u>282,384</u>	<u>786,968</u>	<u>11</u>	<u>10</u>	<u>21</u>	<u>1,336,548</u>
-	-	-	-	-	44,701
227,590	-	-	-	-	227,590
-	-	-	-	-	75,264
-	490,000	-	-	-	490,000
-	280,789	-	-	-	280,789
<u>227,590</u>	<u>770,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,344</u>
54,794	16,179	11	10	21	218,204
<u>1,045,473</u>	<u>587,712</u>	<u>33,074</u>	<u>28,183</u>	<u>61,257</u>	<u>2,241,818</u>
<u>\$1,100,267</u>	<u>\$ 603,891</u>	<u>\$ 33,085</u>	<u>\$ 28,193</u>	<u>\$ 61,278</u>	<u>\$ 2,460,022</u>

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
Occupancy Tax Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Hotel occupancy tax	\$ 185,000	\$ 185,000	\$ 206,043	\$ 21,043
Investment earnings	500	500	821	321
Total revenues	185,500	185,500	206,864	21,364
EXPENDITURES				
Culture and recreation				
Utilities	1,000	1,000	1,044	(44)
Building and equipment rental	9,600	9,600	9,600	-
Marketing and promotional services	50,000	50,000	-	50,000
Settlers' day	20,000	19,900	3,373	16,527
Miss White Settlement pageant	5,000	5,000	4,535	465
Chamber of commerce	30,000	30,000	30,000	-
White Settlement museum	24,500	24,600	24,500	100
Community chest	-	1,500	1,500	-
City manager reserve	10,000	10,000	-	10,000
City council reserve	10,000	8,500	-	8,500
Total culture and recreation	160,100	160,100	74,552	85,548
Total expenditures	160,100	160,100	74,552	85,548
NET CHANGE IN FUND BALANCES	25,400	25,400	132,312	106,912
FUND BALANCE, OCTOBER 1, 2013	407,495	407,495	407,495	-
FUND BALANCE, SEPTEMBER 30, 2014	\$ 432,895	\$ 432,895	\$ 539,807	\$ 106,912

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
Debt Service Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property taxes	\$ 771,278	\$ 771,278	\$ 785,848	\$ 14,570
Investment earnings	300	300	1,120	820
Total revenues	<u>771,578</u>	<u>771,578</u>	<u>786,968</u>	<u>15,390</u>
EXPENDITURES				
Debt service				
Principal	548,047	490,414	490,000	414
Interest	<u>223,231</u>	<u>280,864</u>	<u>280,789</u>	<u>75</u>
Total debt service	<u>771,278</u>	<u>771,278</u>	<u>770,789</u>	<u>489</u>
Total expenditures	<u>771,278</u>	<u>771,278</u>	<u>770,789</u>	<u>489</u>
NET CHANGE IN FUND BALANCES	300	300	16,179	15,879
FUND BALANCE, OCTOBER 1, 2013	<u>587,712</u>	<u>587,712</u>	<u>587,712</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2014	<u>\$ 588,012</u>	<u>\$ 588,012</u>	<u>\$ 603,891</u>	<u>\$ 15,879</u>

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
Street Improvement Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Franchise taxes	\$ 323,750	\$ 323,750	\$ 280,643	\$ (43,107)
Investment earnings	1,000	1,000	1,741	741
Total revenues	<u>324,750</u>	<u>324,750</u>	<u>282,384</u>	<u>(42,366)</u>
EXPENDITURES				
Capital Outlay				
Street Improvements	<u>374,000</u>	<u>374,000</u>	<u>227,590</u>	<u>146,410</u>
Total capital outlay	<u>374,000</u>	<u>374,000</u>	<u>227,590</u>	<u>146,410</u>
Total expenditures	<u>374,000</u>	<u>374,000</u>	<u>227,590</u>	<u>146,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,250)	(49,250)	54,794	104,044
OTHER FINANCING SOURCES (USES)				
Transfers in:	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCES	750	750	54,794	54,044
FUND BALANCE, OCTOBER 1, 2013	<u>1,045,473</u>	<u>1,045,473</u>	<u>1,045,473</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2014	<u>\$ 1,046,223</u>	<u>\$ 1,046,223</u>	<u>\$ 1,100,267</u>	<u>\$ 54,044</u>

CITY OF WHITE SETTLEMENT, TEXAS
Balance Sheet
Economic Development Corporation
September 30, 2014

ASSETS

Assets:

Cash and cash equivalents	\$ 1,355,711
Certificates of Deposit	927,544
Receivables (Net of allowances for uncollectibles)	
Miscellaneous	71
Due from other governments	225,578
Restricted cash and cash equivalents	<u>1,031,405</u>

Total assets	<u><u>\$ 3,540,309</u></u>
--------------	----------------------------

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 150,814
Accrued liabilities	6,258
Due to other governments	<u>840,000</u>
 Total liabilities	 <u>997,072</u>

Fund Balances:

Restricted	1,031,405
Unassigned	<u>1,511,832</u>
 Total fund balances	 <u>2,543,237</u>

Total liabilities and fund balances	<u><u>\$ 3,540,309</u></u>
-------------------------------------	----------------------------

Reconciliation to government-wide statement of net assets:

Fund Balances	\$ 2,543,237
---------------	--------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was \$19,171,389 and the accumulated depreciation was \$1,532,853.	17,638,536
--	------------

Some liabilities, including \$12,600,000 of sales tax revenue bonds, interest payable of \$547,848, a \$11,034 net pension obligation and a \$26,936 liability for compensated absences are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	(13,185,818)
--	--------------

Net Position of Governmental Activities	<u><u>\$ 6,995,955</u></u>
---	----------------------------

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Economic Development Corporation
For the Year Ended September 30, 2014

REVENUES

Taxes:	
Sales and use	\$ 1,331,070
Charges for service	178,063
Investment Earnings	4,958
Other revenue	1,053,812
Total revenues	<u>2,567,903</u>

EXPENDITURES

Current	
Economic Development	546,924
Culture and recreation	706,150
Capital outlay	12,506,362
Debt service:	
Debt issuance costs	88,627
Total expenditures	<u>13,848,063</u>

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (11,280,160)

OTHER FINANCING SOURCES (USES)

 Proceeds from the sale of bonds 12,600,000

NET CHANGE IN FUND BALANCE 1,319,840

FUND BALANCE, OCTOBER 1, 2013 1,223,397

FUND BALANCE, SEPTEMBER 30, 2014 \$ 2,543,237

Reconciliation to government-wide statement of activities:

Net Change in Fund Balance \$ 1,319,840

Current year capital outlays are expenditures in the fund financial statements but are increases in capital assets in the government-wide financial statements. 12,534,491

Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. (174,281)

Current year proceeds from the sale of bonds are other financing sources in the fund financial statements. The effect of the \$12,600,000 increase in sales tax revenue bonds is a decrease in net position. (12,600,000)

Certain liabilities are not due and payable in the current period and therefore are not reported as liabilities of the funds. The \$392 increase in the liability for the compensated absences and the \$547,848 increase in interest payable are reported as expenses in the governmental activities of the Statement of Activities. (548,240)

Change in Net Position of Governmental Activities

\$ 531,810

STATISTICAL SECTION
(Unaudited)

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STATISTICAL SECTION (Unaudited)

This part of the City of White Settlement's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component	89-90
Changes in Net Position	91-92
Fund Balances, Governmental Funds	93-94
Changes in Fund Balances, Governmental Funds	95

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Assessed Value and Estimated Actual Value of Taxable Property	96
Property Tax Levies and Collections	97-98
Direct and Overlapping Property Tax Rates	99
Principal Property Taxpayers	100

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type	101
Ratio of General Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	102
Computation of Direct and Overlapping Governmental Activities Debt	103
Legal Debt Margin Information	104
Revenue Bond Coverage – Water and Wastewater Bonds	105

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics	106
Principal Employers	107

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Full Time Equivalent City Government Employees by Function/Program	108
Operating Indicators by Function/Program	109
Capital Assets Statistics by Function/Program	110

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF WHITE SETTLEMENT, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (UNAUDITED)

	2005	2006	2007	2008
Governmental activities:				
Invested in capital assets, net of related debt	\$ 12,026,541	\$ 12,333,128	\$ 12,876,732	\$ 10,699,737
Restricted	424,082	452,258	483,140	1,998,862
Unrestricted	6,895,059	7,970,504	8,922,203	7,671,504
Total governmental activities net position	<u>\$ 19,345,682</u>	<u>\$ 20,755,890</u>	<u>\$ 22,282,075</u>	<u>\$ 20,370,103</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 7,236,273	\$ 7,561,400	\$ 8,139,623	\$ 9,938,336
Restricted	778,489	711,832	-	-
Unrestricted	2,697,798	4,023,800	5,493,975	5,127,688
Total business-type activities net position	<u>\$ 10,712,560</u>	<u>\$ 12,297,032</u>	<u>\$ 13,633,598</u>	<u>\$ 15,066,024</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 19,262,814	\$ 19,894,528	\$ 21,016,355	\$ 20,638,073
Restricted	1,202,571	1,164,090	483,140	1,998,862
Unrestricted	9,592,857	11,994,304	14,416,178	12,799,192
Total primary government net position	<u>\$ 30,058,242</u>	<u>\$ 33,052,922</u>	<u>\$ 35,915,673</u>	<u>\$ 35,436,127</u>

Notes:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

TABLE 1

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 12,411,227	\$ 12,556,237	\$ 12,013,563	\$ 12,329,870	\$ 13,128,490	\$ 19,869,406
494,855	527,060	3,938,972	4,285,434	1,935,460	2,160,407
<u>7,576,201</u>	<u>8,529,045</u>	<u>8,204,043</u>	<u>9,621,093</u>	<u>11,773,232</u>	<u>10,972,022</u>
<u>\$ 20,482,283</u>	<u>\$ 21,612,342</u>	<u>\$ 24,156,578</u>	<u>\$ 26,236,397</u>	<u>\$ 26,837,182</u>	<u>\$ 33,001,835</u>
\$ 11,097,198	\$ 10,951,282	\$ 11,694,923	\$ 11,949,257	\$ 12,677,910	\$ 13,428,324
-	149,824	527,239	771,491	1,666,924	2,345,747
<u>5,270,789</u>	<u>6,391,323</u>	<u>7,042,561</u>	<u>8,034,022</u>	<u>7,743,655</u>	<u>8,227,222</u>
<u>\$ 16,367,987</u>	<u>\$ 17,492,429</u>	<u>\$ 19,264,723</u>	<u>\$ 20,754,770</u>	<u>\$ 22,088,489</u>	<u>\$ 24,001,293</u>
\$ 23,508,425	\$ 23,507,519	\$ 23,708,486	\$ 24,279,127	\$ 25,806,400	\$ 33,297,730
494,855	676,884	4,466,211	5,056,925	3,602,384	4,506,154
<u>12,846,990</u>	<u>14,920,368</u>	<u>15,246,604</u>	<u>17,655,115</u>	<u>19,516,887</u>	<u>19,199,244</u>
<u>\$ 36,850,270</u>	<u>\$ 39,104,771</u>	<u>\$ 43,421,301</u>	<u>\$ 46,991,167</u>	<u>\$ 48,925,671</u>	<u>\$ 57,003,128</u>

**CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN NET POSITION**

TABLE 2

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities:										
General government	\$ 1,552,905	\$ 1,628,581	\$ 1,583,555	\$ 1,581,711	\$ 1,827,445	\$ 1,581,559	\$ 1,362,135	\$ 1,419,423	\$ 1,467,221	\$ 2,622,855
Public safety	3,971,007	4,111,378	4,173,538	4,799,134	5,072,660	5,214,067	5,136,644	5,499,077	5,768,084	5,908,877
Public works	908,143	873,125	1,048,929	954,898	998,121	1,019,006	986,818	1,203,843	1,196,989	1,349,597
Public health	123,588	132,213	128,437	134,283	160,127	214,752	214,829	198,373	206,776	227,709
Culture and recreation	2,062,064	2,043,922	2,068,259	1,404,433	1,449,217	1,432,284	1,412,396	1,467,194	1,458,161	1,489,447
Economic development and assistance	49,803	67,414	107,449	-	-	-	-	-	-	-
Interest on long-term debt	104,151	83,929	112,118	124,618	341,143	373,587	303,458	292,201	275,917	303,809
Total governmental activities expenses	8,771,661	8,940,562	9,222,285	8,999,077	9,848,713	9,835,255	9,416,280	10,080,111	10,373,148	11,902,294
Business-type activities:										
Water and wastewater	3,339,449	3,632,072	3,758,579	3,829,200	3,683,618	4,463,414	3,733,018	4,457,221	4,747,179	4,687,161
Stormwater utility	50,160	87,122	12,277	44,230	16,389	24,038	25,219	32,503	31,317	40,032
Sanitation	413,630	471,116	482,168	530,470	558,063	597,957	577,472	588,997	603,783	618,654
Total business-type activities expenses	3,803,239	4,190,310	4,253,024	4,403,900	4,258,070	5,085,409	4,335,709	5,078,721	5,382,279	5,345,847
Total primary government expenses	<u>\$ 12,574,900</u>	<u>\$ 13,130,872</u>	<u>\$ 13,475,309</u>	<u>\$ 13,402,977</u>	<u>\$ 14,106,783</u>	<u>\$ 14,920,664</u>	<u>\$ 13,751,989</u>	<u>\$ 15,158,832</u>	<u>\$ 15,755,427</u>	<u>\$ 17,248,141</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 18,760	\$ 100,781	\$ 221,061	\$ 46,051	\$ 358,346	\$ 64,788	\$ 66,130	\$ 79,808	\$ 62,618	\$ 66,622
Public safety	566,001	768,359	766,412	306,812	335,813	530,914	653,561	881,978	1,073,862	986,861
Culture and recreation	246,147	227,983	242,618	43,300	45,289	71,538	112,572	115,632	114,145	80,133
Other	21,161	18,684	18,036	33,323	44,473	43,661	35,319	34,416	44,109	25,839
Operating grants and contribution:	38,283	19,396	5,574	7,028	17,357	26,868	59,407	13,762	53,723	67,809
Capital grants and contributions	545,724	405,156	206,052	-	-	591,989	174,806	-	-	6,642,294
Total governmental activities program revenues	1,436,076	1,540,359	1,459,753	436,514	801,278	1,329,758	1,101,795	1,125,596	1,348,457	7,869,558
Business-type activities:										
Charges for services:										
Water and wastewater	4,908,922	5,320,338	4,980,882	5,457,394	5,037,370	5,306,756	5,778,390	5,608,481	5,912,656	6,101,311
Stormwater utility	-	312,658	513,853	529,541	564,784	530,991	534,690	518,382	546,704	551,483
Sanitation	459,685	478,587	561,410	612,239	618,274	654,088	663,700	641,663	686,457	705,652
Capital grants and contributions	726,011	26,127	-	-	179,689	382,830	571,511	375,116	430,624	553,865
Total business-type activities program revenues	6,094,618	6,137,710	6,056,145	6,599,174	6,400,117	6,874,665	7,548,291	7,143,642	7,576,441	7,912,311
Total primary government program revenues	<u>\$ 7,530,694</u>	<u>\$ 7,678,069</u>	<u>\$ 7,515,898</u>	<u>\$ 7,035,688</u>	<u>\$ 7,201,395</u>	<u>\$ 8,204,423</u>	<u>\$ 8,650,086</u>	<u>\$ 8,269,238</u>	<u>\$ 8,924,898</u>	<u>\$ 15,781,869</u>

(continued)

TABLE 2

CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET (EXPENSE) REVENUES										
Governmental activities	\$(7,335,585)	\$(7,400,203)	\$(7,762,532)	\$(8,562,563)	\$(9,047,435)	\$(8,505,497)	\$(8,314,485)	\$(8,954,515)	\$(9,024,691)	\$(4,032,736)
Business-type activities	2,291,379	1,947,400	1,803,121	2,195,274	2,142,047	1,789,256	3,212,582	2,064,921	2,194,162	2,566,464
Total primary government net expense	<u>(5,044,206)</u>	<u>(5,452,803)</u>	<u>(5,959,411)</u>	<u>(6,367,289)</u>	<u>(6,905,388)</u>	<u>(6,716,241)</u>	<u>(5,101,903)</u>	<u>(6,889,594)</u>	<u>(6,830,529)</u>	<u>(1,466,272)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Taxes										
Property	2,759,859	2,969,860	3,231,498	3,519,246	3,585,249	4,208,683	3,475,352	3,797,676	3,954,575	3,919,467
Sales	3,308,686	3,057,056	2,929,980	3,210,348	3,366,590	3,250,703	4,162,050	4,655,270	3,615,774	3,979,692
Franchise	975,682	1,079,735	919,659	887,330	878,989	1,115,058	1,210,396	1,189,497	1,168,219	1,247,023
Occupancy	126,371	155,226	213,763	168,524	138,664	113,712	133,505	194,549	185,394	206,043
Payments from Crime District	714,118	649,351	648,000	-	-	-	-	-	-	-
Oil and gas royalties	-	-	-	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041
Investment earnings	176,384	366,391	483,665	269,426	75,754	33,442	16,119	15,823	25,035	31,932
Other	-	-	5,901	275,049	142,130	160,531	58,387	97,821	127,845	(34,809)
Transfers	-	-	-	901,717	895,810	690,347	1,452,933	584,700	584,700	670,000
Total governmental activities	<u>8,061,100</u>	<u>8,277,619</u>	<u>8,432,466</u>	<u>10,956,568</u>	<u>9,159,615</u>	<u>9,635,556</u>	<u>10,858,721</u>	<u>11,034,334</u>	<u>9,787,888</u>	<u>10,197,389</u>
Business-type activities:										
Investment earnings	67,889	169,864	263,479	138,867	48,367	23,350	12,645	9,826	16,769	16,066
Other	(21,047)	-	-	-	7,359	2,183	-	-	2,988	274
Transfers	-	-	-	(901,717)	(895,810)	(690,347)	(1,452,933)	(584,700)	(584,700)	(670,000)
Total business-type activities	<u>46,842</u>	<u>169,864</u>	<u>263,479</u>	<u>(762,850)</u>	<u>(840,084)</u>	<u>(664,814)</u>	<u>(1,440,288)</u>	<u>(574,874)</u>	<u>(564,943)</u>	<u>(653,660)</u>
Total primary government	<u>8,107,942</u>	<u>8,447,483</u>	<u>8,695,945</u>	<u>10,193,718</u>	<u>8,319,531</u>	<u>8,970,742</u>	<u>9,418,433</u>	<u>10,459,460</u>	<u>9,222,945</u>	<u>9,543,729</u>
CHANGE IN NET POSITION										
Governmental activities	725,515	877,416	669,934	2,394,005	112,180	1,130,059	2,544,236	2,079,819	763,197	6,164,653
Business-type activities	2,338,221	2,117,264	2,066,600	1,432,424	1,301,963	1,124,442	1,772,294	1,490,047	1,629,219	1,912,804
Total primary government	<u>\$ 3,063,736</u>	<u>\$ 2,994,680</u>	<u>\$ 2,736,534</u>	<u>\$ 3,826,429</u>	<u>\$ 1,414,143</u>	<u>\$ 2,254,501</u>	<u>\$ 4,316,530</u>	<u>\$ 3,569,866</u>	<u>\$ 2,392,416</u>	<u>\$ 8,077,457</u>

Notes:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

CITY OF WHITE SETTLEMENT, TEXAS

FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(UNAUDITED)

	2005	2006	2007	2008
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	1,210,310	1,267,628	1,335,990	1,335,990
Unreserved, undesignated	2,494,707	3,178,607	3,450,403	5,681,925
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total general fund	<u>\$ 3,705,017</u>	<u>\$ 4,446,235</u>	<u>\$ 4,786,393</u>	<u>\$ 7,017,915</u>
All other governmental funds				
Reserved	\$ 438,631	\$ 464,510	\$ 499,467	\$ 448,310
Unreserved, reported in:				
Special revenue funds	2,208,954	2,811,271	3,254,478	775,811
Capital projects funds	226,343	1,259,705	2,007,900	1,669,634
Permanent funds	-	-	-	59,428
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 2,873,928</u>	<u>\$ 4,535,486</u>	<u>\$ 5,761,845</u>	<u>\$ 2,953,183</u>

Notes:

The City implemented GASB 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

The city implented GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions in 2011. The following definitions related to the pre-GASB 54 fund balance categories. Definitions of GASB 54 fund balance categories can be found on page 34 of the notes to the financial statements.

Reserved - Amounts that are not available for appropriation or are legally restricted by an outside party for a specific use.

Designated - Represents management's tentative plans that are subject to change.

Unreserved, undesignated - Fund balance that is not reserved or designated.

TABLE 3

2009	2010	2011	2012	2013	2014
\$ 69,978	\$ 57,978	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,852,466	7,183,003	-	-	-	-
		152,637	1,179,416	906,253	618,971
		-	-	-	-
		-	42,079	-	-
		155,598	2,123	2,175	2,882
		8,216,770	8,777,947	9,991,494	10,308,848
<u>\$ 6,922,444</u>	<u>\$ 7,240,981</u>	<u>\$ 8,525,005</u>	<u>\$ 10,001,565</u>	<u>\$ 10,899,922</u>	<u>\$ 10,930,701</u>
\$ 425,482	\$ 417,777	\$ -	\$ -	\$ -	\$ -
923,650	992,163	-	-	-	-
4,290,930	2,400,099	-	-	-	-
60,177	60,664	-	-	-	-
-	-	1,523,210	1,523,210	764,785	23,210
-	-	2,391,058	2,744,166	5,752,858	5,861,970
-	-	930,960	987,098	1,045,473	1,100,267
<u>\$ 5,700,239</u>	<u>\$ 3,870,703</u>	<u>\$ 4,845,228</u>	<u>\$ 5,254,474</u>	<u>\$ 7,563,116</u>	<u>\$ 6,985,447</u>

TABLE 4

CITY OF WHITE SETTLEMENT, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDSLAST TEN FISCAL YEARS
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	\$ 7,076,580	\$ 7,594,680	\$ 7,260,764	\$ 7,799,194	\$ 7,962,834	\$ 8,384,833	\$ 8,969,708	\$ 9,870,555	\$ 8,940,215	\$ 9,326,432
Fines and fees	367,062	412,811	410,081	342,224	309,408	254,318	279,934	400,481	488,501	498,862
Licenses and permits	258,241	260,330	311,793	359,486	273,757	247,562	342,630	436,309	552,803	446,404
Charges for services	267,740	239,942	249,676	98,198	125,207	158,449	174,879	164,229	191,455	160,882
Intergovernmental	31,078	13,597	207,350	64,028	75,127	671,644	199,737	93,205	116,070	133,228
Oil and gas royalties	-	-	-	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041
Interest income	176,384	366,391	483,665	269,425	75,754	33,442	16,119	15,823	25,035	31,932
Other revenues	104,282	210,987	238,363	19,330	39,064	123,801	27,334	56,719	72,239	52,926
Payment from Crime District	714,118	656,454	648,000	-	-	-	-	-	-	-
Total revenues	8,995,485	9,755,192	9,809,692	10,676,813	8,937,580	9,937,129	10,360,320	11,536,319	10,512,664	10,828,707
EXPENDITURES										
General government	1,524,025	1,569,431	1,569,230	1,583,241	1,786,477	1,485,075	1,279,852	1,357,354	1,437,870	2,540,547
Public safety	3,688,456	3,721,407	4,334,527	4,443,963	4,673,324	6,138,940	4,917,947	5,199,391	6,360,243	5,517,720
Public works	572,303	597,991	885,616	618,629	626,014	633,289	586,341	805,338	840,737	796,387
Public health	120,228	129,905	122,337	128,901	151,706	210,076	201,574	183,025	199,625	220,462
Culture and recreation	1,976,208	1,802,114	1,925,376	1,259,425	1,281,192	1,321,603	1,253,404	1,373,062	1,310,124	1,349,977
Other	48,848	66,459	107,297	-	-	-	-	-	-	-
Capital outlay	272,898	258,527	614,639	2,255,806	4,178,475	2,219,038	197,453	62,788	912,951	907,948
Debt service										
Principal	657,260	678,712	625,377	731,040	671,961	749,563	888,956	1,049,756	711,284	490,000
Interest and fiscal charges	100,656	103,595	124,242	109,595	273,388	362,650	487,098	280,289	247,915	280,789
Debt issuance cost	-	-	-	-	-	-	-	-	48,558	-
Total expenditures	8,960,882	8,928,141	#####	11,130,600	#####	13,120,234	9,812,625	10,311,003	12,069,307	12,103,830
EXCESS OF REVENUES OVER (UNDER)										
EXPENDITURES	34,603	827,051	(498,949)	(453,787)	(4,704,957)	(3,183,105)	547,695	1,225,316	(1,556,643)	(1,275,123)
OTHER FINANCING SOURCES (USES)										
Proceeds from insurance recoveries	-	-	-	220,997	105,161	26,949	24,343	59,449	30,341	3,234
Proceeds from sale of capital assets	37,251	17,933	40,276	36,562	35,756	13,381	213,578	16,341	25,265	54,999
Transfers in	732,775	731,487	47,940	2,605,671	1,635,347	1,678,022	2,339,048	1,448,931	1,682,245	1,500,024
Transfers out	(167,573)	(198,695)	(36,779)	(704,313)	(739,537)	(715,572)	(886,115)	(864,231)	(1,097,545)	(830,024)
Proceeds from capital lease	-	-	-	-	-	689,326	-	-	798,336	-
Proceeds from debt issuance	-	1,025,000	1,433,676	-	6,150,000	-	-	-	3,325,000	-
Premium (discount) on bonds	-	-	(577,325)	-	169,815	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	1,215,000	-	-	-	-	-	-	-
Total other financing sources (uses)	602,453	1,575,725	2,122,788	2,158,917	7,356,542	1,692,106	1,690,854	660,490	4,763,642	728,233
NET CHANGE IN FUND BALANCES										
	\$ 637,056	\$ 2,402,776	\$ 1,623,839	\$ 1,705,130	\$ 2,651,585	\$ (1,490,999)	\$ 2,238,549	\$ 1,885,806	\$ 3,206,999	\$ (546,890)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	8.72%	8.74%	7.47%	8.59%	10.03%	11.73%	14.77%	13.31%	9.52%	6.94%

Notes:

The City implemented GASB 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

TABLE 5

CITY OF WHITE SETTLEMENT, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
2005	353,752,036	89,397,336	443,149,372	100.00%	0.617
2006	380,034,561	87,009,094	467,043,655	100.00%	0.613
2007	426,471,402	102,395,711	528,867,113	100.00%	0.613
2008	486,428,300	145,521,653	631,949,953	100.00%	0.613
2009	440,762,127	139,680,959	580,443,086	100.00%	0.614
2010	453,224,861	148,067,129	601,291,990	100.00%	0.686
2011	403,002,445	97,937,333	500,939,778	100.00%	0.686
2012	406,457,750	102,904,198	509,361,948	100.00%	0.742
2013	421,769,496	198,713,308	620,482,804	100.00%	0.615
2014	431,933,639	146,313,531	578,247,170	100.00%	0.671

Source: Tarrant Appraisal District

CITY OF WHITE SETTLEMENT, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(UNAUDITED)

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Adjustments to Levy in Subsequent Years</u>	<u>Adjusted Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2005	2,757,388	(35,487)	2,721,901	2,681,473	97.25%
2006	2,927,217	5,430	2,932,647	2,858,555	97.65%
2007	3,241,955	(44,638)	3,197,317	3,098,420	95.57%
2008	3,468,077	14,222	3,482,299	3,422,417	98.68%
2009	3,562,322	1,843	3,564,165	3,483,686	97.79%
2010	4,125,086	(539)	4,124,547	4,024,396	97.56%
2011	3,436,632	627	3,437,259	3,358,329	97.72%
2012	3,752,309	(366)	3,751,944	3,688,395	98.31%
2013	3,810,645	(2,647)	3,807,998	3,759,012	98.65%
2014	3,846,840	-	3,846,840	3,791,609	98.56%

TABLE 6

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Adjusted Levy
	Total Tax Amount	Percentage of Levy		
27,567	2,709,040	99.53%	12,860	0.47%
60,538	2,919,093	99.54%	13,554	0.46%
83,156	3,181,576	99.51%	15,741	0.49%
46,172	3,468,589	99.61%	13,710	0.39%
60,110	3,543,796	99.43%	20,368	0.57%
77,033	4,101,429	99.44%	23,117	0.56%
58,306	3,416,635	99.40%	20,624	0.60%
45,703	3,734,098	99.52%	17,845	0.48%
20,238	3,779,250	99.25%	28,748	0.75%
-	3,791,609	98.56%	55,231	1.44%

CITY OF WHITE SETTLEMENT, TEXAS

TABLE 7

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Per \$100 Assessed Value) LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	City Direct Rates			Overlapping Rates				
	General	Debt Service	Total Direct Rate	County College	School District	Hospital District	County	Total
2005	0.448	0.169	0.617	0.139	1.790	0.235	0.273	3.054
2006	0.456	0.157	0.613	0.139	1.790	0.235	0.273	3.050
2007	0.476	0.137	0.613	0.139	1.768	0.235	0.272	3.027
2008	0.481	0.132	0.613	0.139	1.466	0.230	0.267	2.715
2009	0.487	0.127	0.614	0.138	1.498	0.228	0.264	2.742
2010	0.517	0.169	0.686	0.138	1.540	0.228	0.264	2.856
2011	0.460	0.226	0.686	0.149	1.540	0.228	0.264	2.867
2012	0.501	0.241	0.742	0.149	1.540	0.228	0.264	2.923
2013	0.450	0.165	0.615	0.149	1.540	0.228	0.264	2.796
2014	0.536	0.135	0.671	0.150	1.540	0.228	0.264	2.852

Notes:

Ad Valorem Tax Limitation The City of White Settlement, Texas, has the power to levy taxes to the extent of the constitutional limit State of Texas. The constitutional limitation is \$2.50 per hundred dollars valuation for all purposes. This limitation is \$1.50 per hundred dollars valuation purposes in the City Charter.

Due Date of Current Taxes Full payment of taxes is due on or before January 31st. No provision is made for partial payments.

Penalties for Delinquents Failure to make full payments before February 1st causes the tax to become delinquent immediately. subject to a penalty in accordance with the State Property Tax Code 33.01.

Delinquent Tax Collections A tax lien is placed on property on which the taxes have not been paid. The Tax Collector sends tax demand letters from the attorney's office setting a final date for payment. If payment is not made by the final date, the City of White Settlement instigates legal procedures.

TABLE 8

CITY OF WHITE SETTLEMENT, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Taxpayer	Type of Business	2014			2005		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
SPM Flow Control	Industrial	\$ 57,401,926	1	9.93%	\$ -	-	- %
Lowe's Home Center, Inc.	Retail outlet	12,078,856	2	1.76%	-	-	- %
Chesapeake Operating	Real estate	10,193,690	3	2.09%	-	-	- %
Lowrance Properties	Industrial	9,608,768	4	1.66%	-	-	- %
Graham Realty Investments, Ltd.	Real estate	5,960,000	5	1.03%	-	-	- %
ESS Prisa II TX, Lp	Real estate	5,858,004	6	1.01%	-	-	- %
Oncor Electric Delivery Co., LLC	Electric utility	5,827,815	7	1.01%	-	-	- %
Deepdale Investments, LTD	Real estate	5,456,000	8	0.94%	-	-	- %
Manitoba Management Inc	Real estate	5,450,000	9	0.94%	-	-	- %
Co-Operative Industries	Industrial	4,764,717	10	0.82%	-	-	- %
Wal-Mart Properties Inc	Retail outlet	-	-	- %	20,466,785	1	4.62%
SPM Flow Control	Industrial	-	-	- %	16,906,997	2	3.82%
Lowe's Home Center, Inc.	Retail outlet	-	-	- %	12,873,380	3	2.90%
Susa Partnership, Lp	Real estate	-	-	- %	6,193,253	4	1.40%
PDX, Inc.	Real estate	-	-	- %	5,030,040	5	1.14%
TXU Electric Delivery Co	Electric utility	-	-	- %	4,855,035	6	1.10%
Shg Secured Resources Lp	Real estate	-	-	- %	4,839,158	7	1.09%
Newport 7 LLC	Real estate	-	-	- %	4,600,000	8	1.04%
Armet Dale St Ltd Ptnrship	Real estate	-	-	- %	4,516,803	9	1.02%
Southwestern Bell	Telephone Utility	-	-	- %	4,435,682	10	1.00%
Total	Total	<u>\$ 122,599,776</u>		<u>21.19%</u>	<u>\$ 84,717,133</u>		<u>19.13%</u>

Source: Tarrant Appraisal District

CITY OF WHITE SETTLEMENT, TEXAS

TABLE 9

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Total Debt Per Capita	Debt as % of Personal Income
	General Obligation Bonds	Tax Notes	Capital Leases	General & Certificates of Obligation	Revenue Bonds	Capital Leases			
2005	2,085,000	-	514,381	2,285,000	765,000	1,062,421	6,711,802	436	2.60%
2006	1,525,000	1,025,000	395,669	2,190,000	595,000	900,780	6,631,449	421	2.50%
2007	1,155,000	2,110,000	318,233	2,090,000	515,000	743,102	6,931,335	436	2.60%
2008	770,000	1,905,000	177,193	1,985,000	435,000	579,662	5,851,855	366	1.50%
2009	6,720,000	1,580,000	30,232	9,875,000	350,000	410,248	18,965,480	1,174	4.90%
2010	6,495,000	1,065,000	709,996	9,555,000	270,000	345,092	18,440,088	1,124	4.70%
2011	6,345,000	580,000	456,039	9,205,000	185,000	123,990	16,895,029	1,043	5.30%
2012	5,985,000	125,000	221,283	8,745,000	100,000	35,456	15,211,739	944	4.50%
2013	5,620,000	3,325,000	798,336	8,275,000	-	-	18,018,336	1,099	6.50%
2014	5,240,000	3,215,000	798,336	7,800,000	-	-	17,053,336	1,015	6.30%

Notes: Excludes bond issuance and other costs.

Excludes \$12.5M Tax & Revenue Bond bank loan to EDC which is fully funded by a water/adventure park lease agreement.
Governmental Fund 2013 Capital Lease, first payment was 10/01/2014.

TABLE 10

CITY OF WHITE SETTLEMENT, TEXAS

RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITALAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population¹	Assessed Value (In Thousands)²	Gross Bonded Debt³	Less Debt Service Funds⁴	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2005	15,400	443,149	2,085,000	382,971	1,702,029	0.38%	111
2006	15,750	467,044	1,525,000	410,560	1,114,440	0.46%	71
2007	15,900	528,867	1,155,000	442,207	712,793	0.53%	45
2008	16,000	631,949	770,000	379,090	390,910	0.69%	24
2009	16,150	580,443	6,720,000	364,883	6,355,117	1.09%	394
2010	16,300	601,292	6,495,000	359,284	6,135,716	1.02%	376
2011	16,350	500,940	8,050,000	357,495	7,692,505	1.54%	470
2012	16,116	509,362	7,535,000	382,938	7,152,062	1.40%	444
2013	16,390	620,483	7,015,000	587,712	6,427,288	1.04%	392
2014	16,800	578,247	6,480,000	603,891	5,876,109	1.02%	350

(1) Source: North Central Texas Council of Governments

(2) Table 5

(3) Table 9 - Amount does not include Revenue Bonds.

(4) Amount available for repayment of General Obligation Bonds

TABLE 11

CITY OF WHITE SETTLEMENT, TEXAS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDSAS OF SEPTEMBER 30, 2014
(UNAUDITED)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of White Settlement</u>	<u>Amount Applicable to City of White Settlement</u>
Direct:			
City of White Settlement ²	<u>5,876,109</u>	100.00%	<u>\$ 5,876,109</u>
Total direct debt	<u>5,876,109</u>		<u>5,876,109</u>
Overlapping:			
White Settlement Independent School District	166,988,318	42.22%	70,502,468
Fort Worth Independent School District ¹	747,639,995	0.07%	523,348
Tarrant County	317,820,000	0.45%	1,430,190
Tarrant County Hospital District	24,425,000	0.45%	109,913
Tarrant County College District	<u>7,935,000</u>	0.45%	<u>35,708</u>
Total overlapping debt	<u>1,264,808,313</u>		<u>72,601,626</u>
Total direct and overlapping debt	<u>\$ 1,270,684,422</u>		<u>\$ 78,477,735</u>

Ratio of overlapping bonded debt to taxable assessed valuation 13.57%

Per capita overlapping bonded debt \$ 4,671

- (1) The portion of White Settlement which overlaps Fort Worth Independent School District is federal land and not subject to taxation.
- (2) Excludes private funding Capital Lease for a Fire Engine \$798,336

CITY OF WHITE SETTLEMENT, TEXAS**LEGAL DEBT MARGIN INFORMATION****AS OF SEPTEMBER 30, 2014****(UNAUDITED)**

No direct funded debt limitation is imposed on the City under current state law or the City's Home rule Charter.

The City Charter empowers the City Council, under the provisions of the Texas Constitution, Article II, Section 5, to levy, assess and collect an annual tax upon taxable property within the City. The Charter further states the tax is not to exceed a total of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) assessed valuation of said property. No provisions are made limiting the amount of this tax rate that can be used for debt service. The City may issue only those bonds and amounts approved by the voters of the City.

CITY OF WHITE SETTLEMENT, TEXAS

REVENUE BOND COVERAGE
WATER AND WASTEWATER BONDSLAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service ²			Coverage ³
				Principal	Interest	Total	
2005	4,976,811	3,335,412	1,641,399	265,000	131,290	396,290	4.14
2006	5,487,914	3,588,884	1,899,030	180,000	124,215	304,215	6.24
2007	4,980,882	3,111,019	1,869,863	185,000	117,960	302,960	6.17
2008	5,457,394	3,205,402	2,251,992	195,000	112,511	307,511	7.32
2009	5,037,370	3,000,353	2,037,017	400,000	490,418	890,418	2.29
2010	5,612,715	3,549,671	2,063,044	500,000	386,487	886,487	2.33
2011	6,082,219	2,859,218	3,223,001	500,000	392,495	892,495	3.61
2012	5,913,597	3,467,865	2,445,732	545,000	335,851	880,851	2.78
2013	6,236,016	3,745,929	2,490,087	570,000	318,594	888,594	2.80
2014	6,418,402	3,729,545	2,688,857	475,000	305,131	780,131	3.45

Notes:

- (1) Total operating expenses exclusive of depreciation and administrative cost sharing.
- (2) Revenue bonded debt only
- (3) Based on current debt service as opposed to maximum annual debt service as specified in the bond

TABLE 14

CITY OF WHITE SETTLEMENT, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population ¹	Median Income ²	Per Capita Income	Personal Income ²	School Enrollment ⁴	Unemployment Rate ⁵
2005	15,400	45,530	17,052 ²	262,600,800	5,167	4.8%
2006	15,750	45,530	17,052 ²	268,569,000	5,464	3.0%
2007	15,900	45,530	17,052 ²	271,126,800	5,432	3.8%
2008	16,000	54,089	24,093 ²	385,488,000	5,732	4.3%
2009	16,150	54,089	24,093 ²	389,101,950	5,882	8.3%
2010	16,400	55,425	24,093 ²	395,125,200	5,864	7.9%
2011	16,200	45,886	19,551 ²	316,726,200	6,369	7.8%
2012	16,116	56,532	20,969 ³	337,933,869	6,548	7.4%
2013	16,390	45,427	16,850 ³	276,167,852	6,556	5.3%
2014	16,800	43,358	16,082 ³	270,183,383	6,697	5.0%

Sources:

- (1) North Texas Council of Governments
- (2) Department of Housing and Urban Development - American Community Survey (3-year survey).
- (3) City staff calculation based on family median income for 2.696 members per family.
- (4) White Settlement Independent School District
- (5) Texas Workforce Commission-Tarrant County

CITY OF WHITE SETTLEMENT, TEXAS

TABLE 15

PRINCIPAL EMPLOYERS

CURRENT YEAR
(UNAUDITED)

Employer	Type of Business	2014	
		Employees	Percentage of Total City Employment
Weir SPM	Oil field equipment	1,300	16.49%
White Settlement I.S.D.	Education	613	7.77%
Courtyards at Fort Worth	Rehabilitation/nursing	215	2.72%
Education Service Center Region XI	Resource Provider for School Districts	175	2.22%
PDX Inc.	Software Development	175	2.22%
City of White Settlement	Municipal government	130	1.64%
Co-Operative Industries	Electrical wiring harnesses mfg.	125	1.58%
Lowe's Home Center #1619	Building materials/hardware retail	112	1.42%
Southside Bank	Financial institution	95	1.20%
Academy Sports & Outdoors #97	Retail	85	1.07%
Toys R Us	Retail	35	0.44%
Tech Tool Plastics	Fiberglass & Plastic Products	21	0.26%
	Totals	3,081	39.03%
2014 Total City employment		7,882	

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is presented.

CITY OF WHITE SETTLEMENT, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government									
Administration	2.00	3.00	3.00	3.00	2.50	2.00	2.00	1.00	1.00
City secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.00	4.00	3.00	3.00	4.00	4.00	4.00
Facilities services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Personnel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Purchasing	4.00	4.00	4.00	4.00	3.00	3.00	2.00	2.00	2.00
Management information systems	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public safety									
Police	46.50	46.50	49.00	50.00	50.00	50.00	50.00	50.50	50.50
Municipal court	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire	4.20	4.20	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Code compliance	4.50	4.50	5.00	5.50	7.00	6.00	6.00	6.00	6.00
Public works									
Streets and drainage	7.00	7.00	7.00	7.00	7.00	5.00	5.00	7.00	7.00
Public health									
Animal control	2.50	2.50	2.00	2.50	3.50	3.00	3.00	3.00	3.00
Culture and recreation									
Senior services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Park maintenance and recreation	7.00	7.00	7.50	7.50	7.50	8.00	8.00	7.00	7.00
Library	7.00	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00
EDC operations and parks	6.50	6.50	6.50	6.50	6.50	7.00	6.00	6.50	6.50
Economic development and assistance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water production and distribution	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00
Wastewater operations	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Utility billing	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total	<u>126.70</u>	<u>128.20</u>	<u>130.00</u>	<u>132.00</u>	<u>133.00</u>	<u>130.00</u>	<u>129.00</u>	<u>129.00</u>	<u>130.00</u>

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is presented.

CITY OF WHITE SETTLEMENT, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS

TABLE 17

	Fiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety									
Police department									
Calls for service	25,671	27,253	28,393	27,362	26,161	25,989	27,375	32,976	26,328
Traffic citations	4,465	3,849	3,044	3,362	2,750		3,722	4,920	4,157
Criminal offenses	2,306	1,765	1,765	1,495	1,716	1,528	1,943	1,373	1,420
Number of accidents	241	215	215	162	170	119	204	132	132
Persons confined	1,164	942	783	804	872	791	889	963	986
Municipal Court									
Active warrants	2,443	4,090	4,051	3,659	3,227	917	2,243	4,442	2,214
Closed warrants	1,798	2,968	1,415	1,333	1,338	1,905	3,321	3,598	4,434
Fire department									
Fire runs	357	52	392	432	513	538	460	573	479
Emergency runs	1,055	1,322	1,482	1,123	1,232	1,119	1,151	1,241	1,308
Code compliance									
Permits issued	2,734	2,434	1,836	2,199	1,769	1,849	2,081	2,112	2,237
Public works									
Streets and drainage									
Streets resurfaced (miles)	2.03	1.53	1.53	1.47	0.27	0.78	0.45	1.29	0.6
Public health									
Animal control - calls for service	2,183	2,268	2,135	2,035	2,035	1,953	1,710	1,558	1,496
Culture and recreation									
Senior services									
Meals served	23,442	22,064	22,504	21,468	23,047	21,740	22,366	20,840	16,804
Library									
Average daily circulation	265	289	256	333	362	312	320	310	358
Average patron visits per month	5,070	4,972	4,860	5,410	5,865	4,683	5,440	5,290	4,577
EDC operations and parks									
Number of league participants	7,000	7,000	7,600	7,900	8,100	7,578	8,900	7,504	6,141
Water production and distribution									
Number of water connections	5,400	5,306	5,340	5,417	5,352	5,330	5,370	5,301	5,389
Average daily consumption (thousands of gallons)	1,860	1,469	1,538	1,450	1,406	1,652	1,552	1,427	1,362
Wastewater operations									
Number of wastewater connections	5,225	5,209	5,240	5,323	5,265	5,239	5,264	5,252	5,321

(1) Indicators are not available for the general government and economic development functions.

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is presented.

TABLE 18

CITY OF WHITE SETTLEMENT, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS
(UNAUDITED)

	Fiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety									
Police department									
Stations	1	1	1	1	1	1	1	1	1
Patrol cars	11	11	11	11	11	11	15	14	15
Fire department									
Stations	1	1	1	1	1	1	1	1	1
Fire trucks	7	9	9	9	9	11	11	9	9
Public works									
Streets and drainage									
Streets (miles)	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 67	Approx. 67	Approx. 67	Approx. 68
Culture and recreation									
Senior services									
Community centers	1	1	1	1	1	1	1	1	1
Library									
Volumes	74,693	73,855	73,707	69,513	73,494	70,732	67,012	63,105	65,587
Parks and recreation									
Acreage	299	299	350	350	350	350	350	350	350
Playgrounds	6	6	6	6	6	6	6	6	6
Picnic areas	22	22	22	22	22	22	22	22	22
EDC parks and operations									
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11
Soccer/football fields	1	1	1	1	1	1	1	1	1
Water production and distribution									
Water mains (miles)	88	88	88	88	88	88	88	88	89
Storage capacity (thousands of gallons)	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445
Wastewater operations									
Wastewater lines (miles)	70	70	70	70	70	70	70	70	71

(1) Indicators are not available for the general government, public health and economic development functions.

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is presented.

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